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# FT

## FINANCIAL TIMES

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Separate section

PRESIDENT APOLOGISES AGAIN TO AMERICAN PEOPLE AFTER NOT-GUILTY VERDICT IN SENATE IMPEACHMENT TRIAL

# Clinton calls for reconciliation after acquittal

By Gerard Baker in Washington

The final act of the impeachment drama that has convulsed American politics for the past 18 months drew to a close yesterday with a further apology from President Bill Clinton. Acquitted by the Senate of charges that he lied under oath and obstructed justice, he called for "a time of reconciliation and renewal for America".

In a brief address to the nation from the rose garden of the White House, Mr Clinton apologised for "all he said and did to trigger these events and the great burden they have imposed on the Congress and the American people".

Senators failed by a wide margin to record the two-thirds majority on either

count needed to convict and remove him from office, thanks to a group of Republican defectors.

Shortly after noon, William Rehnquist, chief justice of the Supreme Court, called out the question: "Senators, how say you? Is respondent William Jefferson Clinton guilty or not guilty?" One by one, the 100 senators delivered their verdict. They rejected by 55 to 45 the first article of impeachment alleging perjury before a grand jury by Mr Clinton in the Monica Lewinsky case, with 10 Republicans voting not guilty.

The vote on the second article, that Mr Clinton obstructed justice, was split 50-50, as just five Republicans broke with their party.

That vote denied the Republican prosecutors from

the House of Representatives even the consolation prize of securing a majority vote to convict. Neither article came close to achieving the 67 votes needed to obtain a conviction, as none of the 45 Democrats voted guilty.

After the votes, the atmosphere on Capitol Hill changed quickly from somberness to a high-spirited sense of intense relief that the long process was over at last, in time, appropriately for the Presidents' Day holiday weekend.

"All Americans can take great comfort," said Henry Hyde, the chairman of the House Judiciary committee, who led the prosecution of Mr Clinton. "Congress has strengthened, not weakened, the ties that bind our nation together."

Tom Harkin, one of the



President Clinton apologised for 'all he said and did to trigger these events'

most vocal Democrat critics of the charges brought by the House of Representatives against Mr Clinton, warmly slapped Mr Hyde's back and Mr Hyde himself shook hands with David Kendall, one of Mr Clinton's lawyers.

"We've been through this, we've done what was required and we ought to

move on," said Trent Lott, the Republican leader in the Senate, who voted guilty on both counts.

Mr Rehnquist, who presided over the five-week Senate trial, took his leave of senators with warm praise for the process.

However, the Lawinsky affair redrew the boundaries

of American political and judicial life, opened the presidency to unprecedented scrutiny, resulted in the first impeachment trial of a president in 181 years, but left Americans unmoved.

The Starr report, Page 3  
The fat lady sings, Page 6  
Lax, Page 24

# Former Amoco president quits merged group

By Robert Corzine in London and Nikki Tait in Chicago

The merger of British Petroleum and Amoco yesterday claimed its first high-level casualty with the resignation of William Lowrie, a former Amoco executive, who stands to gain more than \$30m (\$48m) from share options and compensation.

His decision to quit as a board member and joint deputy chief executive of BP Amoco highlights the strains that have emerged in the executive suite at the group's headquarters in London in the six weeks since the merger was completed.

In addition to his share options, Mr Lowrie, the former president of the US group and its second most senior executive to have joined the new company, stands to receive \$3m from the extensive compensation agreement that he and Larry Fuller, BP Amoco's joint chairman and the former head of Amoco, demanded as part of the merger.

Sir John Brown, BP Amoco's chief executive, cancelled a trip to the US this week in part to deal with problems.

As one executive said: "It was getting a bit overcrowded. Having two joint deputy chief executives was never going to work."

Rodney Chase, the other deputy chief executive and a confidant of Sir John, will assume Mr Lowrie's refining and marketing responsibilities as well as his current job of overseeing exploration and production. Bryan Sanderson, another BP executive, will take over Mr Lowrie's chemical portfolio.

There had been rumours

at BP Amoco's US headquarters in Chicago that all the former Amoco senior executives who had joined the combined group might leave en masse. Mr Lowrie's departure had been tipped earlier in the week of Enrique Soes, the former head of Amoco's chemicals division, and Jim Fligg, Amoco's head of strategy.

Last night BP Amoco said the remaining former Amoco senior executives, including Mr Fuller, intended to stay. Mr Fuller is due to retire in March 2000.

One executive said Mr Lowrie's departure broke the most obvious logjam at the top. It was suggested yesterday he had always intended to leave well before the end of his three-year contract. But, unlike other senior Amoco executives who had agreed to serve only until the transition was complete, Mr Lowrie accepted a high profile permanent position.

Mr Lowrie will receive a cash payout equivalent to three years' remuneration, including salary bonus and extensive benefits, worth about \$3m. He has almost 4m BP Amoco share options worth more than \$30m, and more than 55,000 BP Amoco ADRs, each of which represents an underlying 10 BP Amoco shares. The options and shares represent holdings prior to the merger.

The large number of share options held by top Amoco executives and their generous post-merger financial packages demanded as part of the deal have left many of its former employees disillusioned, and feeling that personal financial gain played a part in the decision to give up Amoco's independence.

# Anti-Yeltsin group urges tough line by Primakov

By John Thornhill in Moscow

Yevgeny Primakov, Russia's prime minister, is heading for a showdown with President Boris Yeltsin over who controls Moscow's levers of power.

An influential group within Moscow's political elite close to Mr Primakov is pressing for the sacking of Mr Yeltsin to step down to prepare the way for presidential elections. The Council of Foreign and Defence Policy

will today urge Mr Primakov to take radical action to restore the legitimacy of the federal government and halt the economic crisis.

Sergei Karaganov, the council's chairman, said the council meeting would discuss a report that called for the voluntary resignation of Mr Yeltsin, fresh presidential elections, limited constitutional change, and the development of a long-term economic strategy.

"We insist on Yeltsin

resigning. That is the only way out of this crisis," Mr Karaganov said in an interview with the Financial Times. "Primakov will be persuaded to run by the vast majority of people and he will win."

The council's discussion document, which has been prepared by several of its 150 members but has not been approved by them all, highlights the alarm in Moscow about the escalating political tensions between the presi-

dent and the prime minister. Mr Karaganov, who has known Prime Minister Primakov for 25 years but has no formal connection with him, said Russia was facing a graver threat than in 1991, when hardline Communists launched a putsch, or in 1993, when Mr Yeltsin ordered the shelling of the Supreme Soviet.

"The whole debate is not about economic policies. It is about survival. There is a very high probability that

the country will fall apart in a couple of years," he said. Mr Yeltsin, who has recently been sidelined by a recurrence of ill health, appears to have grown increasingly irritated at Mr Primakov's attempts to grab the political limelight by negotiating a "stability pact" with parliament.

Rumours have been circulating this week that Mr Yeltsin intends to sack several prominent ministers, including possibly Mr Prima-

kov. But such moves would probably put the president into a renewed confrontation with parliament.

Mr Karaganov, a high profile political analyst, said such continued uncertainties were hampering Russia's efforts to find a way out of the crisis. "Unfortunately it is very hard to predict things at the moment because of the total unpredictability of the president," he said.

Report savages Yeltsin, Page 2

## News General

### Lafontaine warns ECB on growth

Germany's finance ministry has warned that if the European Central Bank fails to react to deteriorating economic conditions, Europe's governments may have to use fiscal policy alternatives. The carefully worded report highlights tensions between German finance minister Oskar Lafontaine and the Frankfurt-based ECB. Page 2

### Bank of Japan eases short-term rates

The Bank of Japan yesterday bowed to growing political pressure to ease monetary policy by guiding short-term interest rates lower. But BoJ said demands that it should curb rising rates by purchasing Japanese government bonds "lacked common sense". Page 4

### Albright will try to break Kosovo stalemate

US secretary of state Madeleine Albright is to make a personal attempt to break the impasse at the Kosovo peace talks in France, which western mediators blame on Serbian negotiators. Page 2

### UK rules out ban on genetically-modified food

The British government yesterday rejected renewed calls for a moratorium on genetically-modified foods. Prime minister Tony Blair said the government was following the best scientific advice and that public concerns were unjustified. Page 5; Lex, Page 24

### Pill of the century

Aspirin's first 100 years - the versatile painkiller that will not give up

Page 7



## News Business

### Pirelli links with Cooper Tire

Pirelli, the Italian tyres and cables group, and Cooper Tire and Rubber of the US have established a strategic alliance for their businesses in North and South America. The move comes a week after Goodyear Tire & Rubber of the US and Sumitomo Rubber of Japan launched joint ventures. Page 24

### Solid growth from Viag and Aluisse Lonza

Viag, the German industrial group, and Aluisse Lonza of Switzerland yesterday both unveiled solid growth in pre-tax profits, which they said created good conditions for their planned merger. Munich-based Viag saw 1998 pre-tax operating profits rise 10 per cent to DM3.2bn (£1.64bn, \$1.85bn) in 1998, while Aluisse reported a 14.5 per cent increase in net earnings to SF5530m (\$374.5m). Page 28

### European stock markets stage a late retreat

European stock markets pulled back from their best levels late in the day as Wall Street opened weak after the Dow's strong overnight performance. In the telecoms sector robust results were announced by British Telecommunications. Deutsche Telekom sharply outperformed the Frankfurt bourse while France Telecom closed flat in a sinking Paris market. Currencies, Page 9; Bonds, Page 14; London Stocks, Page 17; World Stocks, Pages 20-21; FT Weekend Pages XX-XXI

### Bad debts hit Dai-ichi Kangyo Bank

Dai-ichi Kangyo Bank, one of Japan's large city banks, says its losses from bad debts in the year to March will surge to Y970bn (\$9.5bn), resulting in a parent pre-tax loss of Y630bn instead of a previously forecast profit of Y50bn. Page 24

### Cleared for take-off but not for landing

Deregulation of the European and US airline industries means it has never been so cheap to fly. Passenger numbers are expected to rise 5 per cent annually over the next 20 years. There is just one problem. Where will all these aircraft land? Page 7

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# WORLD NEWS

## UK, Spain agree Gibraltar peace talks

By David White in Madrid and David Buchan in London

After a war of words and frayed tempers at the frontier over the last two weeks, plans were announced yesterday for talks between Mr Matutes and Robin Cook, his UK counterpart, during an informal European Union meeting in Brussels a week on Sunday.

Spain would not carry out its threat to ban overflights to the Rock and to refuse to recognise Gibraltarian driving licences. UK officials also said Spanish customs had halved delays at the border to an average three hours yesterday, but they complained this was still unacceptably long.

Last week, Mr Matutes, a veteran of the European Commission, said he had nothing to talk about with London except the recovery of sovereignty over Gibraltar, signed over to Britain 286 years ago.

But officials said he and Mr Cook had gone into the "fine print" of the latest tensions. This included Spain's argument about Gibraltar driving licences, which Mr Matutes this week threatened not to recognise.

The people of Gibraltar are paramount". The UK foreign secretary came under domestic pressure yesterday from the Conservative opposition, foreign affairs spokesman, Michael Howard, for failing to reject the proposals on Gibraltar sovereignty that Spain made in 1997. Mr Cook returned that, under the terms of a dialogue that a Conservative government started in 1994 with Madrid, the UK could not refuse to discuss such proposals, although it could and would oppose them.

## Report savages Yeltsin presidency

By John Thornhill in Moscow

Sir Winston Churchill once famously compared Russian politics to a dogfight under a carpet. It was only when one dog killed the other that you knew which was the stronger.

Just such a skirmish appears to have broken out between the ailing Boris Yeltsin, president, and Yevgeny Primakov, his increasingly ambitious prime minister. Some observers suggest that - for the first time in his eight-year presidency - Mr Yeltsin may not emerge as top dog.

When the wily, 69-year-old prime minister attends a meeting of the Council on Defence and Foreign Policy today, he will be presented with a document containing a withering critique of Mr Yeltsin's presidency, an alarming assessment of Russia's prospects and a scarcely veiled call for action.

"To wait for elections in 2000 will be extremely dangerous," the report concludes. "The optimal solution for the country would evidently be for the voluntary resignation of Yeltsin (on health grounds) and the announcement of pre-term presidential elections."

### Some observers suggest that for the first time in his eight-year presidency, Mr Yeltsin may not emerge as top dog

together 150 leading politicians, businessmen, and journalists, can hardly be considered a hotbed of revolutionaries. But its members believe the country faces immense peril unless it can break out of its current impasse. The report presents Mr Primakov as the country's best hope for consoli-

dating all right-minded political forces and guaranteeing Russia's survival - in spite of the prime minister's repeated denials that he will contest the presidency.

The paper, entitled *About an Exit from the Crisis*, predicts the country's deteriorating economy will impose enormous strains on Russia's political system and social fabric this year. Inflation is likely to soar and living standards plummet, no matter what action the government takes.

For the political elite of Russia, every month of 1999 means increased uncertainty, instability, and a further erosion of their guaranteed base of social support," it says. The threat of extremist action will grow ever stronger by the day.

In the words of Sergei Karaganov, the council's chairman, most of the "magic glue" holding Russia together are already fast dissolving. The chronic underfunding of federal institutions, including the police, the military and the security services, has left them dependent on the local rather than central authorities. Most of the country's banks and financial-industrial groups, which used to bind the country together economically, are now bankrupt.

The chief obstacle to Mr Karaganov's "optimal" outcome for Russia is that Mr Yeltsin has made clear he will not relinquish power before the end of his term. And Mr Primakov, a cautious politician, seems certain to distance himself from the council's conclusions - in public at least.

## Germany warns ECB on slowdown

By Ralph Atkins in Bonn

Germany's finance ministry has warned that if the European Central Bank fails to react to deteriorating economic conditions, Europe's governments may have to react with fiscal policy alternatives. Doing nothing "could turn out to be extremely expensive", it argues.

In a report sent to the 10 other governments in the euro-zone, the ministry says "the point has now been reached" where action is required to counter the clear threat of a prolonged economic slowdown.

"Playing a waiting game is an exceptionally hazardous strategy, not least in view of global instabilities." It attacks an apparently complacent stance by the European Commission towards the global economic climate.

The tersely worded report highlights the tension between Oskar Lafontaine, finance minister, and the Frankfurt-based ECB, which, Mr Lafontaine argues, has to take an active role in boosting economic growth. He sees scope for further cuts in Europe's interest rates.

The report says that if monetary policy-makers fail to find answers to falling global demand, other options must be considered.

"This is not a desirable situation. Monetary policy is certainly the preferred instrument to respond to this shock. If it is not used, fiscal measures cannot be ruled out," it said.

Last night, the finance ministry said it had no concrete proposals for possible fiscal responses. Its report makes a point of dismissing as "groundless" fears that government deficits led quickly to a rise in long-term interest rates. Yesterday, Mr Lafontaine denied German media suggestions he envisaged billion-euro spending programmes.

In practice, Bonn is committed to Europe's "stability and growth pact", which sets fiscal rules for euro currency members. Earlier this year, Mr Lafontaine pledged Germany would cut its public sector deficit from 2.5 per cent of national income last year to 1 per cent in 2002.

"Fiscal measures" could also include greater use of tax incentives or "giveaways", finance ministry officials said.

Chancellor Gerhard Schröder yesterday urged employers and workers in the metal and electrical industry to avert a strike, which he fears could harm German prospects for economic growth and destroy his plans for cutting unemployment, writes Tony Barber in Frankfurt.

## Political football is the name of the game in Hungary

A ministerial fight over control of the country's soccer clubs is a reminder of past state meddling, writes Robert Wright

It is easy to see why Hungary's flamboyant agriculture minister clings to control of Ferencvaros sports club, his unglamorous post's most glamorous perk. Any public figure, after all, would love the reflected glory of their country's best-known, best-supported, most successful football team.

It is also easy, however, to see why the main governing Fidesz party wants to take Ferencvaros away from Jozsef Torgyan, leader of the junior coalition Smallholders' party. The club - which also runs ice hockey and basketball sections - is financially weak, possibly corrupt, a drain on government finances and no longer able to compete internationally.

Like most of Hungarian football, it is a textbook case for reform. So, with the coalition partners at loggerheads, football - a subject dear to the hearts of a nation that in the 1950s produced one of the finest sports teams ever - has become one of Hungary's hottest political issues.

The game is also providing a reminder of the perils of state meddling in what would elsewhere be non-state affairs. Football was probably not on Viktor

Orban's mind when he shook hands last June to seal a coalition deal with Mr Torgyan, a right-winger whose party, based on peasant interests, took 13 per cent of seats in May's general election.

If it had been, he might have noticed a flaw in the deal that secured him a parliamentary majority. Mr Orban promised the Smallholders four ministries, including agriculture and defence. Yet the new prime minister - who himself still plays for a fourth division league football side - planned to shake up one of the last vestiges of communism, the system of government backing for top clubs.

The coalition deal handed both Honved, the defence ministry's club, and Ferencvaros, the agriculture ministry's club, to coalition partners unlikely to surrender them easily to the Fidesz-led new youth and sports ministry.

Mr Torgyan, a 66-year-old lawyer, is not a natural compromiser. A populist whose party included in its manifesto calls for a restored death penalty and a ban on land sales to foreigners, the Smallholder leader boasted recently he had issued more decrees since entering office

than any other minister. Wanting opinion poll ratings notwithstanding, he is widely suspected of wanting to become Hungary's state president next year.

Ferencvaros officials are unwilling to talk about their new honorary president, but eyes at the club roll skyward at mention of his name. He is said to have completely reversed the previous government's policy of letting the club run itself.

Laszlo Keri, senior researcher at the Hungarian Academy of Sciences' political science unit, says: "Torgyan knows it is absolutely reasonable to grab the opportunities represented by Ferencvaros. To be a Ferencvaros supporter is to be a good, average Hungarian."

The club is also a good political fit. Rogan Taylor, director of the football research unit at Liverpool University in the UK, says Ferencvaros was run down in Hungarian football's early-1950s golden age because of its association with interwar, rightwing politics.

While the great Ferenc Puskas - recently voted fourth best player this century - was sent to working class Kispest-Honved, the army team, Ferencvaros lost its best players and was sponsored by the politically unexciting agriculture ministry. That now gives the club its cachet, according to Tibor Vidos, of the UK lobbying company GJW Government Relations: "The other clubs were always associated with the power ministries."

But the disputes are also fuelled by worries over maladministration at both club and football association levels. The club is also a good political fit. Rogan Taylor, backed the decision of his sports minister, Tamas Deutsch, to suspend the Hungarian football association's management over alleged illegality.

At Ferencvaros, police are investigating the club's accounting. The club is looking more and more like an example of the wrong-headed state interference, which the Organisation for Economic Co-operation and Development warned last week threatened the smooth running of some partially privatised Hungarian companies.

Meanwhile, the coalition has yet to address seriously the problems of forcing Hungary's old-fashioned agriculture sector to reform so that it will be ready for EU membership. When they start doing that, Laszlo Keri predicts, football will look like just a game.

## Albright to push Kosovo talks

By David Buchan, Diplomatic Editor

Madeleine Albright, the US secretary of state, is to make a personal attempt this weekend to break the impasse in the Kosovo peace talks, which western mediators blame mainly on Serbian rather than Albanian negotiators.

But the Contact Group of mediating countries, which includes the US as well as European powers, was due in any case this weekend to evaluate progress in the Kosovo talks and, if it saw prospect of success, to extend negotiations for a second and final week.

The magnitude of the mediatory task was yesterday underlined again by Milan Milutinovic, the Serbian prime minister. After meeting his delegation at

Rambouillet, he repeated the Serbian side's willingness to sign a set of general peace principles set out by the Contact Group, and delivered a virtual ultimatum to the Kosovo Albanians to do the same.

"If they [Kosovar Albanians] sign, we will continue the negotiations," he told a Paris press conference. "If not, no negotiations."

UK officials pointed out yesterday that the Serbian delegation had changed some of the wording in the Contact Group's draft principles to try to trap the Albanians into signing away their long-term goal of independence.

On Thursday, Mr Cook complained of these tactics and praised the Albanians' co-operation. Yesterday, Mr Milutinovic retorted that

## NEWS DIGEST

### THAILAND BANKRUPTCY LAWS

#### Senate passes bill to set up specialised court

Thailand's Senate yesterday passed a bill to set up a specialised bankruptcy court, one of five crucial changes to the country's bankruptcy and foreclosure laws that the government of Chuan Leekpai, prime minister, is trying to steer through parliament.

### JAPANESE OLYMPICS INVESTIGATION

#### Nine IOC members accused

At least nine International Olympic Committee members violated rules in the selection process for the 1998 Nagano Winter Games, the Japan Olympic Committee said yesterday. Yushiro Yagi, JOC secretary-general, said a formal investigation into the Nagano bid, which would be sent to the IOC, found that travel regulations were broken.

### SWEDISH BANKING

#### Repo rate down by 25 points

Sweden's central bank cut its key repo rate by 25 basis points to 3.15 per cent yesterday, pointing to low inflation and weaker than expected economic growth. Analysts said further cuts could be expected.

### SPANISH INFLATION

#### Rise in prices lifts rate 0.1%

Spanish consumer prices rose 0.4 per cent in January to nudge the year-on-year inflation rate up from 1.4 per cent in December to 1.5 per cent, according to the national statistics institute.

### US DEPARTMENT OF AGRICULTURE

#### Irradiated meat on the menu

Irradiated meat could be on the American menu in the near future after the US Department of Agriculture yesterday announced rules to cover the process. Dan Gilchrist, the US agriculture secretary, said radiation would be allowed for the treatment of refrigerated or frozen uncooked meat and some meat products.

### UKRAINE BANKS

#### Ministry negotiates over T-bills

Ukraine's finance ministry said yesterday it was negotiating with banks in trouble after a decision to convert all Treasury bills held by domestic banks falling due in February into longer-term bonds.

Still no way stopping the start express

Republican split along fault line

Handwritten scribble at the bottom of the page.

CLINTON'S ACQUITTAL



From left: Aug 17 Media gives well-to-well coverage as explicit details of Clinton's relationship with Monica Lewinsky are revealed in the Starr report. Aug 18 Clinton the family man with wife and daughter on the White House lawn. Nov 19 Independent counsel Kenneth Starr is sworn in for the House impeachment hearing. Jan 7 Action moves to the Senate as Chief Justice William Rehnquist is sworn in for the president's trial.

Still no way of stopping the Starr express

By Mark Suzman in Washington

The trial may be over, but the long-running investigation of President Bill Clinton is not.

Kenneth Starr, the special prosecutor, is still pursuing several leads that may lead to further charges against the president. He is also considering serving a criminal indictment on Mr Clinton for perjury and obstruction of justice in covering up his affair with Monica Lewinsky that would be pursued in the courts rather than Congress.

The constitutionality of the latter move is unclear - and even if he chooses to pursue it, Mr Starr may well wait until after Mr Clinton leaves office. But the same is not true of all his other investigations.

He has already indicated that he does not expect to file charges relating to allegations that the president and Hillary Clinton acted improperly in firing the White House travel staff and using FBI files of government personnel. But the apparently indefatigable independent counsel is continuing to push forward with the Whitewater land deal he was originally appointed to investigate. He is pressing new charges against Webster Hubbell and Susan McDougal, two friends of the president from Arkansas who have both already served time in prison as a result of Mr Starr's investigations. Despite his lack of success to date, he hopes they might be persuaded to testify against Mr Clinton to avoid further punishment. Mr Starr's office is also

looking at separate allegations by Kathleen Willey, a former White House volunteer who claims Mr Clinton harassed her. He has secured an indictment against a friend of Ms Willey who helped discredit her claim last year. He is also checking whether the White House tried to orchestrate a broader smear campaign against her.

On the flip side, the Justice Department confirmed this week it was investigating Mr Starr's office for possible misdeeds, including allegations that he violated Ms Lewinsky's right to an attorney when his staff first interviewed her in January 1998. If they find any evidence of wrongdoing, that may be seen as sufficient cause to fire the independent counsel, although such a move would have serious political repercussions.

But even if the US has not seen the last of Mr Starr, it seems increasingly likely that it will soon see the end of the independent counsel statute that led to his appointment. Public outrage against the Starr report and its aftermath has helped fuel a growing belief in Congress that having unlimited investigators with unlimited budgets is not the best way to scrutinize alleged misdeeds by public officials.

The law comes up for formal review this year, with the first Senate hearings due this month. There is a consensus that it needs to be scrapped or heavily modified.

Was it such a bad thing? Page 5

Net junkies have their own heroes and a demon

By Nancy Dunne and Nancy McCorrd in Washington

When she is not roaming the Internet, StihrrHope pretends she is a casting director for a forthcoming film. The Rise and Fall of Bill Clinton.

First she signs up Barbara Streisand to play Paula Jones (pre-noce job), alleged victim of Mr Clinton's lust in an Arkansas hotel room. Linda Tripp, Monica Lewinsky's turncoat friend, is played by the attorney-general, Janet Reno - in a wig. Bill Clinton plays himself, having repeatedly proved his acting abilities.

Like many who frequent the news chat rooms of America Online, under aliases to protect their privacy, "StihrrHope" from Miami, Florida, has been mesmerized by the revelations of semi-sex near the Oval Office. Only the Washington media can rival the new junkies of the Net in their encyclopaedic knowledge of Bill Clinton's transgressions and tribulations.

StihrrHope is among the nearly two-thirds of the American people who, polls show, opposed the president's impeachment. "People are comfortable with the economy," she says. "If you're sleeping in a feather bed and the alarm goes off, you don't want to get up."

Judging from the chat rooms, electronic mail and messages posted on AOL, Americans - who were fascinated when the Lewinsky scandal broke - have had much less interest in the impeachment. While senators were wringing their hands over procedural questions, opinion among the president's supporters on the Net long ago coalesced.

The overriding sentiment is a deep distaste for Kenneth Starr, the independent counsel, and what is seen as the self-righteous piety of many of the Republican impeachment "managers".

"I'm tuned out on impeachment. Sick of polls, bragging, posturing, etc." Barbi474 wrote in frustration recently in one chat room. "Definitely Republicans are again shooting themselves in foot."

Larry Flynt, publisher of Hustler magazine, who offered \$1m for anyone who could prove they had an affair with a senior official or member of Congress, has become a folk hero. "At least he spent his money, not ours," said SChom3872, in a reference to the highly resented \$50m price tag on the Starr investigation.

Among Democrats there is revulsion against the president's extra-curricular activities. But there is still respect for his abilities as a politician. "He is probably the smartest president we've ever had," said Makinsauce.

"He just has trouble with his lower half." The more sophisticated news addicts - conservatives and liberals - tend to chew over the weekday developments between 9pm and

11pm. In AOL's New York Times chat group, rules enforced by on-line "hosts", keep the conversation from getting too insulting, but Clinton fans are venomous about Mr Starr.

Sharkey, who holds a PhD in English, sees Mr Starr as "a reincarnation of Senator Joseph McCarthy, the most famous red-baiter of the 1950s. Mr Clinton's opponents seem 'anti-feminist and racist'."

Congressman Henry Hyde, leader of the House managers, has become a target of ridicule. It was revealed he had had a long-term affair with a married woman and tried to dismiss it as "a youthful indiscretion" although he was in his 40s at the time.

"I couldn't stop laughing at what Hyde was saying today about infidelity," said Thisbe97, the day the congressman delivered an impassioned final plea for the president's impeachment. "And as he bent over there was a large scarlet A on his shirt."

Beneath the banter, there is growing fear that if the president can be brought down by "partisan zealots", anyone is vulnerable - particularly those who chatter over the World Wide Web. In StihrrHope's film of the president's downfall, the one shining moment comes when he slays the dragon of fear and paranoia by winning the battle over the self-righteous rightwing conspirators.

Republican split along fault line

By Gerard Baker in Washington

The fact that five Republican senators yesterday broke ranks with their colleagues and voted not to convict President Bill Clinton on either of the two articles of impeachment demonstrates the ideological fault lines that have been visible in the party in the past few years. But the identity of the five demonstrates even more strikingly the regional and geographical lines along which those faults run.

All of them hail from north-eastern states, where voters have repeatedly chosen a more liberal brand of Republicanism than those in the south, the Midwest or the Rocky Mountain states.

Four of the senators - Olympia Snowe and Susan Collins of Maine, James Jeffords of Vermont and John Chafee of Rhode Island - are from New England. This fifth, Arlen Specter, who chose to take the quixotic route of voting "not proven" on the charges of perjury and obstruction of justice - is from Pennsylvania.

misdeemans" - their decision was in line with the liberal Republicanism they have practised as legislators.

All five are to the left of most of their colleagues on the big social policy questions. Four of them - Ms Collins was not then a member - voted with Democrats and a few other Republicans in 1996 for a bill that would have protected employment rights of homosexuals. Three of the New England senators voted to uphold Mr Clinton's veto of a bill to outlaw partial-birth abortions.

Their vote yesterday was reflected also in the votes of the five House members who opposed Mr Clinton's impeachment in December - three of whom were also from north-eastern states. The Republican party at large in the north-east is now firmly out of step with the rest of the country. Three prominent Republican governors in the region - George Pataki of New York, Christine Todd Whitman of New Jersey and former Governor William Weld of Massachusetts - have governed along similar liberal lines.

As most of the Republican party has moved to the right in recent years, embracing a more aggressive brand of religious conservatism, the position of its north-eastern liberal moderates has become more uncomfortable.

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Vertical text on the left margin: 'BANKS', 'BANKRUPTCY LAWS', 'passes bill to a nationalized court', 'members accused', 'down by 25 points', 'hits rate 0.15', 'most on the menu', 'negotiates over T-1'.



GENETICALLY MODIFIED FOODS CLAIMS OF MOUNTING SCIENTIFIC EVIDENCE OVER THEIR POTENTIAL DANGER
Ministers refuse to halt crop trials

By David Wighton and John Wilson

The government rejected renewed calls yesterday for a moratorium on genetically modified foods amid claims of mounting scientific evidence of their potential dangers.

through a very long regulatory process," he said. Jack Cunningham, the cabinet minister responsible for co-ordinating government policy on GM foods, said a moratorium on experimental growing of GM crops would be counter-productive.

Pressure groups such as the Food Commission renewed their calls for a moratorium, already supported by the Consumers' Association and the Soil Association, which certifies organic products.

The controversy over GM foods was reignited after a 20-strong group of scientists endorsed work by Arpad Pusztai, a researcher at a government-funded institute in Scotland, which questioned the safety of GM potatoes.

variety has forbidden their disclosure to the ACNFP," she said. The Food & Drink Federation also repeated its attack on the original Rowett Institute research.

The smaller Democratic Unionist party is set to oppose the deal. Union First, a UUP pressure group, signalled it would vote against the package, warning that approval would leave the UK government free to set up the executive without any handover of weapons by the Irish Republican Army.

EU states block sales of two Monsanto cottons

By Michael Smith in Brussels

European Union member states have blocked the sale or growth of two genetically modified cottons amid growing concerns about the potential effects of genetically altered crops on health and the environment.

which is increasingly frustrated with the EU's safety-first approach to food safety and its effects on trade. US officials complain the EU is over-cautious about GMOs and takes too long to approve them.

Although the EU has already approved 18 GMOs, the recent refusals suggest countries may be applying stricter criteria for approval. The decision to withhold approval for the genetically

modified cottons was taken in spite of advice by scientists that they were safe for use. "We would not put forward proposals for the release of GMOs unless we were absolutely certain they were safe," the commission said yesterday.

state at minister level to grant authorisation. Monsanto said yesterday it was disappointed by the committee's decisions. The two products were in use in the US and Bollgard had been approved for use in Australia, Argentina, South Africa, Mexico and China.

tion for a Dutch company's genetically modified potato had been withdrawn. However, EU approval for a GMO is no guarantee that individual countries will follow suit.

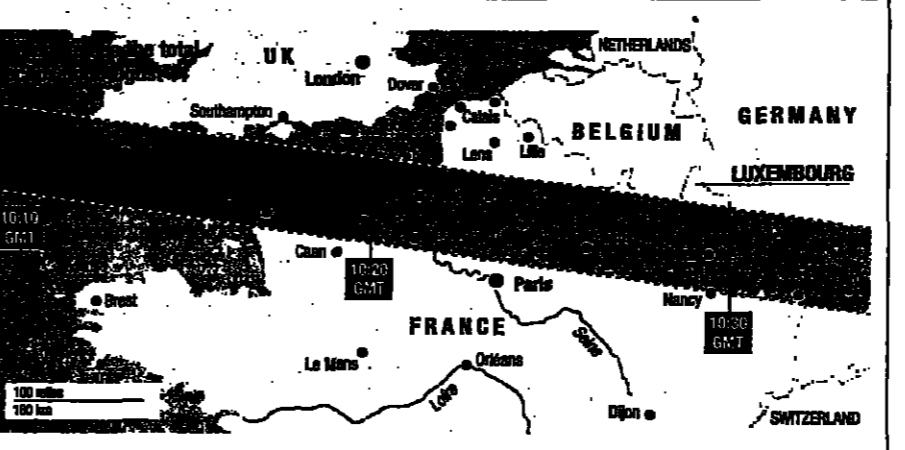
Eclipse propels week's holiday rental above \$15,000

South-west England is expecting a mass influx in the summer for once-in-a-lifetime event. Deborah Hargreaves reports

Maureen Cartwright has advertised her caravan on the internet for £2,000 (\$3,200) over the week which includes 11 August this year. The rent is 10 times the normal charge. Other families are giving up their houses to visitors for £10,000.

Local politicians are worried that the region's infrastructure and emergency services could be overwhelmed. Police in the two counties have asked for troops to help.

There are worries that food and water will run out. A report by a local real estate developer in December said failure to plan food supplies could cause "anarchic mob behaviour".



Local politicians are worried that infrastructure and emergency services could be overwhelmed

Brig Williams believes the number of people who come for the eclipse will be self-limiting and that once they see the congestion on the roads, they will be put off.

There will be a ban in place on all road repairs in southern England in early August to help traffic flow. Many visitors will also arrive by sea and air.

At the time of the 1927 eclipse 3m people travelled to the north of England to view it. It remains the biggest-ever recorded movement of people by train in one day in the UK.

SINGLE CURRENCY LEAKED LETTER PROVOKES DISPUTE BETWEEN LOBBYING GROUPS

Blair is accused of pushing to adopt euro

By Kevin Brown, Industry Editor

A bitter dispute broke out between single currency lobbying groups yesterday over a leaked letter from Business for Sterling to Tony Blair, prime minister, accusing the government of attempting to bounce Britain into the eurozone.

currency before a decision to join has been made, and before its advantages can be demonstrated. The letter says it is "increasingly clear that the camouflage of preparation is being used to suggest to business and the public that joining is inevitable.

the practical steps to be taken if a government decision to join is approved in a referendum. It says that since most UK businesses trade mostly in the domestic market "the current information campaign... seems likely less to inform business than to fuel among the public a spurious climate of inevitability".

man of the Federation of Small Businesses. However, the European Movement, the pro-euro lobbying group that passed the letter to the Financial Times, said it showed that Euro-sceptics were panicking following the launch of the euro in 11 European Union countries on January 1.

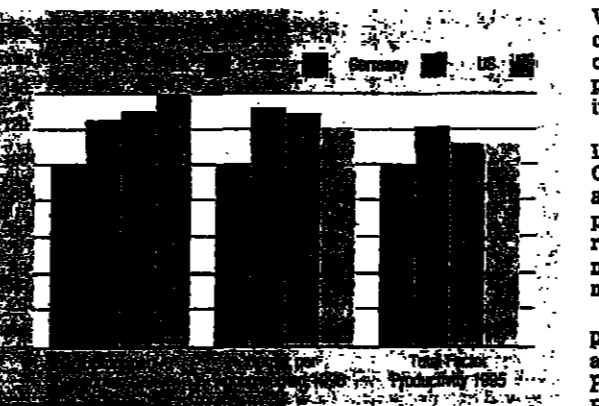
UK membership by 114 leading business people. Business for Sterling's claims were also strongly criticised by the Confederation of British Industry, which favours UK participation if the economic conditions are right, and the actively pro-euro British Chambers of Commerce.

Pledge on competition is reaffirmed

The government's new trade chief is determined to continue the interventionist policy of his predecessor, says Kevin Brown

Stephen Byers, chief minister for trade and industry, clearly understands the importance of sending the right signals to business.

to establish eight centres of scientific excellence. His announcement was one of a number of indications that the government is serious about implementing the 75 recommendations for change set out in the paper.



issue, which had been planned by Mr Mendelson. Although Mr Byers cancelled plans to open proceedings, both Lord Sainsbury and John Battle, the industry minister, made the DTI's continuing commitment clear.

with e-mails and letters by them [the DTI] since the conference saying that they want to take it forward," says Paul Seabright, a Cambridge economist who spoke at the DTI conference.

World Bank and a former chairman of the US Council of Economic Advisers, praises the government for its long-term view. But not everyone agrees. Lord Paul, founder of the Caparo engineering group and a long-time Labour supporter, says the proposals repeat Conservative economic mistakes and neglect manufacturing.

Taiwanese

Mr Byers has endorsed Mr Mendelson's policy paper on competitiveness and the "knowledge-driven" economy, widely seen as the blueprint for a new economic role for the Department of Trade and Industry.

On Thursday, for example, Lord Sainsbury, science minister, launched the DTI's Science Enterprise Challenge by asking universities to bid for places in a £20m scheme

NEWS DIGEST

NORTHERN IRELAND PEACE AGREEMENT

Pro-UK community to oppose leader over deal

David Trimble, Northern Ireland's first minister and leader of the pro-British Ulster Unionist party, looks set to be opposed by a majority of unionists when he seeks assembly backing on Monday to ratify proposals for the structure of the region's future government.

BMW-OWNED CAR PLANT

Subsidy to be linked to output

The government is planning unusually tough conditions on any subsidy it gives to help save Rover's troubled car plant at Longbridge in the English Midlands, because of concerns that it would otherwise be propping up an unviable enterprise.

LONDON UNDERGROUND RAILWAY

Strike 'will cost \$57m a day'

A 48-hour strike starting tomorrow evening on the London Underground railway is expected to cause widespread disruption. The London Chamber of Commerce said the action would cost the capital's businesses up to £35m (\$57.4m) a day in lost productivity and wasted fuel costs.

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COMMENT & ANALYSIS

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Saturday February 13 1999

Banking on superman

The stock market's response this week to the appointment of Michael O'Neill as chief executive of Barclays was little short of euphoric. Much the same could be said of the response of the Barclays board, which acquiesced in a remuneration package for this 52-year-old Bank of America official that positively dwarfed the sums usually accorded to managers of UK clearing banks.

Yet by US standards the package was not out of the ordinary. It also involved the commitment of £5m of Mr O'Neill's own money to Barclays shares. And if he succeeds in transforming prospects at a bank that has lost its sense of strategic direction, the money will have been well spent. But will he succeed?

Mr O'Neill has a good-looking curriculum vitae, but this is the first time he has been asked to assume the role of Moses and lead a big bank out of the wilderness. Nor is it difficult to make a case that both markets and remuneration committees swallow too readily the concept of the manager as super-hero.

It is striking that young turks just below board level often complain about the ego trips of their chief executives, before succumbing to the super-hero thesis on reaching the boardroom. Moreover, the attribution of top-flight corporate performance to a single individual is usually easier to make in an entrepreneurial context than a managerial one.

Indeed, some of the best managed and most durable of the world's big businesses have a positively anonymous executive style.

That said, one of the striking features of UK commercial banking is that it contains only one really notable success story; and as luck would have it, the success is largely due to the vision of a single man.

The bank in question is Lloyds TSB and the man is its chairman, Sir Brian Pitman. Yesterday he pleased the stock market once again with better than expected profits.

Vision and courage

There can be no denying the vision nor the courage in implementation. When Barclays was still extracting large sums from its shareholders to squander in profligate growth, Lloyds retreated from wholesale banking and concentrated primarily on domestic retail operations.

This involved painful cost-cutting long before it became the norm in financial services. It also involved acquisitions in which Sir Brian Pitman refrained,

unlike others, from paying over the odds. In short, he looked after his shareholders in the days before it was fashionable for bankers to do so. And whatever Mr O'Neill may say initially about his plans for Barclays, it would be surprising if he does not take a leaf out of the Lloyds TSB book by abandoning Barclays' residual aspirations to a continuing role in investment banking.

For the moment, the British clearing banks are on fairly comfortable terrain. Having seen the two previous business cycles end in savage recessions, analysts are pleasantly surprised when provisions and write-offs turn out to be lower than expected, as at Lloyds TSB this week.

Potential growth

In the longer run retail financial services remain an area of potentially strong growth. As countries become richer, people invest more in sophisticated savings products such as pensions. Yet even for Lloyds TSB there are worrying questions ahead. The mortgage market may benefit from further interest rate cuts, but it is nonetheless mature. And it is worrying that growth in UK retail banking has often been very unrewarding for the banks' customers.

Leaving aside the horrors of pensions mis-selling, the margins across retail financial services are extremely high. Competition has been confined mainly to the business of attracting new customers. Inertia among existing customers has prevented these margins from being competed away as conventional economic wisdom would predict. But new entrants are now piling in, ranging from UK retailers and insurers to specialist US providers of plastic cards.

So customer inertia will not provide banks with a permanent cushion from economic reality. The analysts will soon be asking whether a sustainable business can be built on delivering poor bargains to the customer.

Retail bankers in the English-speaking world have shown themselves adept at cutting costs, especially via takeovers. What they now have to demonstrate is the fair and vision to generate increased profits from their existing operating businesses.

Bankers who have belatedly learned how to keep their shareholders sweet will have to stop treating customers like suckers. Super-hero goes to charm school - a good motto for Mr O'Neill.

Mark Suzman asks whether the trial of President Clinton was really such a bad thing after all

Any lingering Republican hopes of going out with bang had long vanished. By the time the trial of the century limped to a suspenseless end yesterday there was barely enough energy left for a good whimper. Almost all that could be heard in America was a giant sucking sound of relief - made up of one part disappointment, one part pleasure and 10 parts utter, utter exhaustion after 13 long months of the Monica Lewinsky scandal.

But even as Congress started packing up for a week-long recess - to mark, paradoxically enough, Presidents' Day as a national holiday - pundits of every hue had begun to consider the broader significance of the whole, bizarre affair.

Did it have a lasting impact on the US or was it just a passing embarrassment that people can't forget about too soon? Could it all have been avoided? And were any lessons learned about the US political system?

Proper answers will not become clear for years or decades (if ever), but the preliminary answers appear to be that the affair is unlikely to leave a permanent scar on the US, though it will loom large in people's memories for years: that much of the process could have been avoided; and the most important lesson was that, even though everything took horribly much longer than almost anyone had expected, the political system did its job. The constitution was upheld. Dishonour was satisfied. And in the end the public got what it wanted: an indelible stain on Mr Clinton's record but no conviction, no removal from office and a chance for him to do something more substantial than just escape from a sex scandal.

Having preoccupied the world's most powerful country for over a year to the exclusion of almost anything else, the events were undoubtedly important, if only because they left little room for other issues to intrude. Day after day the issue dominated the media in a way that put previous scandals to shame. "It was like a black hole consuming everything else," observes Larry Sabato, a political scientist at the University of Virginia.

Even so eminent a Republican as James Baker, a former secretary of state, worried about the damage the trial was doing to the conduct of US foreign policy, since it made it harder for the president to forge a bipartisan consensus for his actions. Others have wondered whether greater US aggression in trade policy towards Europe and Japan is partly connected to the president's difficulties in persuading Congress to back a more open regime.

But with the black hole closing, it seems unlikely the effects will linger. A few changes of personnel in the administration, held up while the scandal was raging, may now be whisked through. Mr Clinton may quickly return to the battle with Republicans over tax cuts and whether and how to spend the federal

The fat lady sings



budget surplus. But for voters, the less said, the better. The president has less than two years left in office and is widely popular (although his poll ratings may fall now he is no longer formally undergoing trial by his enemies).

If they think of it at all, most people appear to see the debate over impeachment as at root a cultural clash: a moment when the Sixties culture of permissiveness collided with an older, more inflexible moral code. Only a minority believes that any permanent social or moral change will result from Mr Clinton's tainted victory. New battles along the same fault lines will almost certainly emerge, but for the moment most people just seem relieved to see this particular struggle end.

One reason for popular dissatisfaction is the sense that the ordeal was not inevitable. Almost everyone acknowledges that, at root, the president had engaged in "egregious and reprehensible behaviour". But apart from a few days of genuine uncertainty over whether the president might be forced from office - first when the scandal broke in January 1998, again when the Starr report was released last September - the unfolding saga has been a triumph of process over substance.

Matters took so long to resolve because of three actions, all of which could have been short-circuited. First Mr Clinton's initial

denials and evasiveness in effect delayed any final resolution by months. So did the sustained and ultimately unsuccessful attempt by Kenneth Starr to push for a tougher immunity deal with Ms Lewinsky before she testified. And once those issues had partially been resolved, the Republican party prolonged matters by starting new battles over impeachment long after it was clear they had lost the war.

Conservative Republicans insist that the decision to acquit Mr Clinton is a shameful blot on the US that will have an impact on future generations. "The issues we're concerned with have

consequences far into the future," Henry Hyde, the head of the House Judiciary committee, thundered in his closing arguments this week. "Because the real damage is not to the individuals involved but to the American system of justice, and especially the principle that no one is above the law." But despite Mr Hyde's eloquence and evident conviction,

his view is not widely shared. The early reaction among legal and constitutional experts is that apart from some damage to presidential prerogatives - the president will no longer be able to claim private conversations with aides in the hearing of secret service agents are privileged - the scandal is unlikely to have a dramatic impact on the justice system. And while the bar for future impeachments might have been raised, there seems little danger that Congress would be reluctant to prosecute more serious crimes by a future president.

Some substantive changes are possible. The independent counsel law is very likely to be revamped by Congress, perhaps to reduce the counsel's powers. Less convincingly, politicians of all stripes are calling for an end to what has become known as the "politics of personal destruction" - the attempt to make private lives part of public debate. There may even be a backlash in the short term. But already, some of next year's presidential hopefuls such as vice-president Dan Quayle are calling for tough scrutiny of the candidates' personal behaviour.

In other words, after yesterday's votes, politics more or less as usual seems set to resume on Capitol Hill. Congress may or may not manage to pass some big legislation like social security reform this year. Democrats may or may not manage to win back control of the House of Represent-

tatives in 2000. The public may or may not pay attention, depending in large part on whether the economy continues to boom. And that is itself perhaps the most profound lesson of the whole affair. The sight of both parties following such a bitter and divisive national convulsion with promises of co-operation says much about the inherent resilience and durability of the US political system.

As William Safire, a prominent critic of Mr Clinton and former aide to Richard Nixon, acknowledged this week, the system worked. The venerable US constitution once again displayed its strengths. The impeachment process may have been cumbersome, but it functioned effectively and delivered a verdict in accord with public opinion.

Most important of all, through-out the long arduous process, there was never any real uncertainty, either domestically or internationally, about US political stability. Even had Mr Clinton been forced to hand over to vice-president Al Gore, the country faced the prospect with relative equanimity.

The US may have lost some worldwide respect. But back home, while many Americans will celebrate Presidents' Day with a touch of dismay, regretting the way that Mr Clinton has tarnished the office of Lincoln and Washington, most will strongly back the Senate's decision to let him to keep his job.

The constitution was upheld. Dishonour was satisfied. And the public got what it wanted

LETTERS TO THE EDITOR

Compromise over duty-free

From Mr David Earnshaw.  
Sir, You report ("New twist in duty free dispute", February 10) that health groups and others have entered the fray over the abolition of duty-free in Europe. They argue that the lobby supporting the continuation of duty free is effectively a front for the tobacco industry. No doubt they have a point: the tobacco industry will be an obvious beneficiary of any decision to delay the abolition of duty-free in Europe.

However, perhaps this could point to a compromise solution, satisfying those very many consumers who wish to retain duty-free sales, those governments - fearing job losses - that have lobbied the European Commission to propose a delay in abolishing duty free, and also the Commission itself, for which duty-free is an obvious distortion of the single market.

Simply, duty-free on tobacco and alcohol products could be abolished on schedule, while a temporary delay is granted for other goods. Such a compromise has the attraction of giving some substance to the European Union's commitment to improving public health and ensuring health protection across the range of EU policies. It would also demonstrate that Europe is capable of finding pragmatic solutions that benefit its citizens, while not compromising significantly the basic tenets of the single market.

David Earnshaw,  
164 rue Victor Hugo,  
Brussels,  
Belgium

Understanding value of art

From Mr Alexander P. Künzle.  
Sir, Andrew Clark's very individual article about the nature and value of the arts is a masterpiece of intelligent journalism ("Swansong for the century", Global Arts, FT Weekend January 9-10).

Maybe this is Anglo-Saxon pragmatism; maybe it is the proof of Mr Clark's being close to the everyday economy; but he clearly makes us, from the business community, understand

what art is all about. As art is frequently described by very, very academic authors, I first hesitated to read that long article. But I quickly changed my mind when I saw that Mr Clark also distinguishes well between commerce, necessity, markets and the limits of demand driven arts or services.

Everyone responsible for sponsoring arts or culture; every marketing manager with cultural budget power; every promotion

professional; every communication manager who brings his chief executive closer to culture and arts producers; every advertising person should read this key text once, or even twice, before going on with his activities.

Alexander P. Künzle,  
senior editor,  
Hotel & Tourism Review,  
3006 Berne,  
Switzerland

Venice project will solve problem of flood and decay

From Mr Torben Sørensen.  
Sir, Thank you for the excellent article by Paul Betts on the problems of Venice and its lagoon ("Rising tide of defiance", FT Weekend January 30-31). Having been personally involved with these problems for more than 10 years, I am happy to observe that the article was very informative and correct in its reporting.

Mr Betts correctly relates the criticism of the Mose project raised by the Italian minister of the environment, stating that the project might seriously damage the lagoon's fragile eco-system and seriously interfere with maritime traffic.

Moreover, the probability of a repetition of the disastrous 1996 flooding may be in the order of 0.5 per cent, but it could happen next year - as well as in 200 years. The Mose project does not solve the pollution problems of the lagoon, and nobody pretends that it would. It will solve the problem of flooding of the city, and the innumerable abandoned and decaying ground floors of magnificent buildings in the city are ample illustration of the desperate need to solve this problem.

Torben Sørensen,  
former managing director,  
Danish Hydraulic Institute,  
Agerø Allé 5,  
DK-2970 Horsholm,  
Denmark

Vindication of the 'no' voters

From Mr Deniz Davies MP.  
Sir, Your editorial "Heads in the euro-sand" (February 6-7) comes as a pleasant surprise to those of us who argued and voted against the Maastricht Treaty. By questioning whether the price stability objective should be "imposed on continental Europe" you are close to rejecting the core economic tenet of that Treaty.

Economic objectives such as price stability may well be desirable in certain circumstances, especially when there is high inflation. But circumstances change and economic tenets should not be entrenched as fundamental law into treaties, creating, as Maastricht does, an inflexible "economic constitution" that can only be modified or repealed with the agreement of 15 individual nations.

Deniz Davies,  
House of Commons,  
London SW1A 0AA, UK

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COMMENT & ANALYSIS

Pill of the century

It was once dubbed worthless by a drugs chief yet was a must for Apollo astronauts. Now, on its 100th anniversary, aspirin is swallowed by millions but faces stiff competition, writes David Pilling

The man in the street today lives more easily, more comfortably and more safely than the potentia in the past. It matters little to him that he is no richer than his neighbour if the world around him is rich enough to provide him with roads, railroads, hotels, a telephone system, physical well-being and aspirin - José Ortega y Gasset, Revolt of the Masses, 1931

The 20th century was only three decades old when Ortega y Gasset pronounced it "the age of the aspirin". Now, as the century draws to a close, bringing with it the 100th anniversary of the little tablet, it is clear the Spanish philosopher had hit upon something profound.

Not only does aspirin crop up over and over in literature and popular culture, but it regularly makes an appearance at crucial points in modern history.

It was there at the birth of the pharmaceutical industry in 1859 when Bayer, then a German dye-stuffs company, realised there were vast sums to be made from healing common ailments.

It was there in the text of the Treaty of Versailles when the allies expropriated the Bayer trademark - and with it aspirin - as part of first world war reparations.

It was even there during the Apollo 11 moon mission in 1969, when Dr Charles Berry, NASA's medical director, made it part of every astronaut's medical kit, declaring it would be used for ever as a standard remedy.

Aspirin - or acetylsalicylic acid as the active ingredient is called (ASA for short) - nearly fell at the first hurdle by Felix Hoffmann, a 28-year-old German pharmaceutical graduate, it was rejected by the head of Bayer's Pharmaceutical Institute.

Like a movie mogul turning down Marilyn Monroe for being too plump, the drugs chief, Hein-

rich Dreser, described aspirin as "typical Berlin hot air. The product is worthless".

At the time, Bayer was more amused by another compound Hoffmann had synthesised, diacetylmorphine. Because that drug, which was being promoted as a cough remedy, was said to make factory workers feel "heroic", Bayer decided to call it by an appropriate name: heroin. (Until its side effects became apparent, heroin was used as a premedication for wounded soldiers in the first world war.)

Bayer's chairman eventually intervened on aspirin's behalf after seeing the results of Berlin laboratory tests. Although the Berlin patent office rejected the company's patent application on the grounds that it was too similar to previous compounds, Bayer registered the Aspirin trademark.

The name was derived from the "a" of acetyl and "spirin" from *Spiraea ulmaria*, the meadow-sweet plant from which the active ingredient can be extracted.

The properties of salicylic acid had in fact been known for thousands of years. The Ebers papyrus, a collection of medicinal recipes dating back 3,400 years, proves that Egyptian physicians prescribed an infusion of myrtle leaves - which contain the stuff - for back pain.

Hippocrates of Kos recommended juice from the bark of a willow tree, yet another natural source of aspirin's active ingredient, for fever and pain.

The bark's beneficial properties were rediscovered by the Reverend Edward Stone of Chipping Norton, Oxfordshire, who in 1763 conducted the world's first clinical trial when he administered willow extract to 50 feverish patients.

Hoffmann's achievement was to make a relatively minor chemical modification that made salicylic acid more stable and reduced its bitter taste. This was done, so the story goes, to make it more palatable to Hoffmann's rheumatic father. The principal use of the compound, it was then thought, was as an anti-inflammatory.

According to Walter Snesader, senior lecturer in pharmaceutical sciences at the University of Strathclyde, that story does not stack up.

The real inventor of aspirin, says Mr Snesader, was not Hoffmann at all, but Arthur Eichengrün, the chemist in charge of Bayer's pharmaceutical division.

Mr Snesader believes that Eichengrün was written out of aspirin's official history during the 1930s because he was Jewish.

By that time Bayer had become part of IG Farben, the chemical conglomerate that went on to supply Zyklon B gas to Nazi concentration camps. It is a characteristic example of the way in

which the 20th century mingles scientific progress with horror, that the same company should both ease and terminate so many lives.

When IG Farben was broken up after the war, Bayer resumed the marketing onslaught that had taken aspirin to virtually every corner of the globe. On aspirin's launch, Bayer had been quick to grasp the power of brand promotion when it circulated a letter to 30,000 doctors in one of history's first mail shots.

Aspirin, originally weighed out in grammes of powder by pharmacists, was also one of the first pharmaceuticals to be sold in tablet form. In this way, Bayer could ensure an appropriate dosage and help combat counterfeiters who regularly cut pure aspirin with other substances.

By the 1960s, aspirin was used by the public mainly as an analgesic and antipyretic for headaches and the aches and fevers associated with flu. It was evidence of how crude the pharmaceutical industry still was that scientists could not explain how salicylic acid, in use for 3,500 years, actually worked.

As recently as the New York Times magazine was calling aspirin "the wonder drug that nobody understands".

The mystery was solved, at least partially, in the 1970s by Professor John Vane, using advances in molecular biology. Sir John, who won a Nobel prize for his work, discovered that aspirin blocks production of an enzyme which inhibits the synthesis of fatty acids known as prostaglandins. Without prostaglandins, the body is unable to produce symptoms of pain, fever and inflammation.

Sir John's unmasking of aspirin's secrets helped give a new lease of life to a product that had been coming under attack from rival drugs such as ibuprofen. (Aspirin, particularly if taken over a long period, can cause stomach bleeding and ulcers.)

It turns out that the enzyme that aspirin blocks is involved in activating a substance that enables blood platelets to form into clots. That is why small but regular doses of aspirin have since been shown to reduce the risk of strokes and heart attacks.

As with much of aspirin's history, there was a twist to this episode. Years before, in 1950, Lawrence Craven, a Californian throat surgeon, had noticed that patients who took aspirin as a painkiller bled more after tonsillectomies.

Having tested it as an anticoagulant in 400 middle-aged patients, he published his findings in the Mississippi Valley Medical Journal. No one took any notice of his claims that aspirin could reduce the risk of heart attacks. A year later, Dr Craven died in obscurity - of a heart attack.

Even now, the last chapters of aspirin's history are yet to be written. It again finds itself under

attack from other drugs, this time from a new class of product called Cox-2 inhibitors, the invention of Monsanto and Merck of the US. Cox-2s target cyclooxygenase-2, which controls pain and inflammation, without blocking the virtually identical cyclooxygenase-1, which protects the stomach lining.

The so-called "super-aspirins", which go on sale this year, are expected to notch up sales of \$5bn (£3bn) between them within a few years, dwarfing the amount earned by aspirin (Bayer sold DM1bn worth last year).



But aspirin's days are far from over. For a start, Cox-2s, which sell for dollars compared with aspirin's cents, do not have the anti-blood clotting properties of salicylic acid. And extensive trials are being conducted to prove what many doctors already believe: that aspirin can reduce

the likelihood of cancer, particularly of the colon. These findings have helped expand aspirin's sales. Humanity now swallows 10bn tablets each year.

In that respect, Ortega y Gasset was right. This century truly has been the age of the aspirin. But in another, he got it wrong.

With or without aspirin, for pauper and potentate alike, the 20th century has been anything but painless.

An uncontrolled experiment

Unlike the BSE beef scare, UK politicians and consumer groups are listening to the minority opposing the genetic modification of food, writes Clive Cookson and Vanessa Houlder

Might genetically modified foods become the next mad-cow crisis? Plants with altered genes are already pervasive in the food chain (see below). The view of mainstream scientists is clear: genetically modified foods that have been approved for human consumption are extremely unlikely to damage your health.

But the scientific wisdom was just as clear 10 years ago about mad-cow disease: the risk of BSE infecting people was negligible. The few maverick scientists who warned that the infection might cross the species barrier from cattle into people, were attacked as irresponsible and received little attention. Unfortunately, they have turned out to be right.

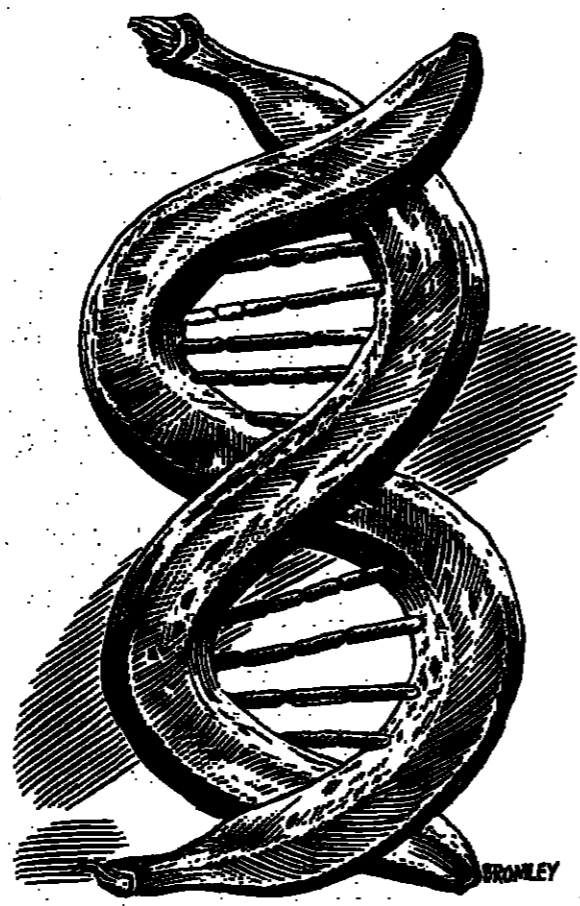
The spectre of BSE haunts the current debate over genetic foods. Again, the vast majority of scientists pooh-pooh the view that eating genetically modified crops could pose any threat.

But this time consumer groups and politicians are listening to the minority who claim that added genes and the proteins they produce could pose a danger both to the environment and to human health.

"BSE has made people in Europe very sensitive to new technologies in the food supply industry, and very wary of scientists and government attempts to reassure them," says John Durant, professor of public understanding of science at Imperial College, London.

"It could be that the price of the BSE fiasco will be even greater outside the beef industry than inside it, if it makes the European public resist GM crops."

Public concern intensified yesterday after 20 international scientists signed a memorandum in support of



controversial research that showed rats fed with an experimental kind of genetically modified potato suffered damage to their immune systems and changes to the size of their livers, hearts and brains.

Some of the findings were rapidly disowned by the institute where the work was carried out, the Rowett Research Institute in Aberdeen. It described the presentation of the work as "misleading" and asked Arpad Pusztai, the scientist involved, to retract.

The scientists who this week rallied round Dr Pusztai say his concerns are justified. Stanley Ewen, a pathologist at Aberdeen Uni-

versity medical school, says the work might even have disturbing implications for modified crops already in use, such as maize. Vyryan Howard, toxicologist at Liverpool University, says growth retardation in young rats at the Rowett has serious implications, since underweight babies might show behavioural problems.

The researchers challenge the adequacy of the existing regulatory system in the UK and, by extension, the rest of the world. Dr Howard says: "The regulatory process needs to be more thorough, more objective and to ask the right questions." He, and other scientists, are calling for a moratorium on the use

of genetically modified foods. However, the fact is that such concerns remain, at the moment, those of a minority. Other scientists vigorously defend the existing system which, they say, involves detailed, case-by-case studies, including feeding trials where necessary.

Large-scale public surveys, such as those conducted by Prof Durant at Imperial College with George Gaskell at the London School of Economics, consistently show far more consumer opposition to genetically modified food than in North America.

But the contrary is true of medical biotechnology: more Americans than Europeans express opposition to genetic testing. "We should avoid the stereotypical view that Americans are gung-ho about new technology and Europeans are not," Prof Durant says.

Besides BSE, which has not affected the US, he cites the very different views of agriculture on opposite sides of the Atlantic. "When Europeans think of wildlife and the rural environment, they think of farmland, and for them GM technology appears to be the next step in an unwelcome intensification of agriculture," he says. "Americans, in contrast, think of the wilderness areas in their national parks; they regard farmland as part of the industrial system."

Whether the European concern or the American enthusiasm for crop engineering is more justified may not become clear for decades. Dr Howard says it will be extremely difficult to monitor the public for ill effects from GM food.

"Maybe, after 20 to 30 years, things might come to the fore," he says. "But you won't have any unexposed population against which to measure it. It is an uncontrolled experiment."

Next month, for example, Roy Vandemeer QC is expected to declare an end to the proposed fifth terminal at London's Heathrow airport, which is strongly opposed by environmental groups and local authorities.

By the time it ends, the inquiry, the longest in UK history, will have been sitting for almost four years. It will have heard evidence from 800 witnesses. According to the computerised transcription system, they and the lawyers will have spoken 35m words. About 25,000 people have made written submissions, mostly opposing Terminal Five.

Mr Vandemeer will spend two years considering his recommendation to the UK government. BAA, which owns Heathrow, does not expect the terminal to open before 2007.

Heathrow is not planning to build its new Heathrow terminal on greenfield land. The proposed site is a former sewage farm. If this is the

Open skies land politicians with airport dilemma

The world is running out of runway space as air passenger numbers soar. Michael Skapinker considers possible solutions

There is no need to stay at home this weekend. For as little as £31.50 (£50), EasyJet will fly you from Amsterdam to London. Ryanair will take you from Paris to Dublin for FF1423 (£72).

If you'd like to venture further, travel agents are touting return tickets from London to New York for £165. For £707 you can fly around the world via Bangkok, Sydney and Los Angeles.

Deregulation of the European and US airline industries, and increased competition from low-cost airlines, means it has never been so cheap to fly. British Airways calculates that international fares have fallen 2.5 per cent a year in real terms since the 1970s.

Passengers have responded. About 1.5bn people flew on scheduled services worldwide last year, a 50 per cent increase on 1987. Hundreds of millions more are ready to take to the air.

Passenger numbers are expected to rise 5 per cent annually over the next 20 years. Airlines will have to buy more than 17,000 aircraft to accommodate them.

There is just one problem. Where will all these aircraft land? New airports opened last year in Hong Kong, Kuala Lumpur and Milan. But international airports, particularly in Europe, are severely congested. And attempts to build new airports, terminals or runways have attracted furious opposition from local residents, who have delayed their construction for years.

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Heathrow is not planning to build its new Heathrow terminal on greenfield land. The proposed site is a former sewage farm. If this is the

protest a building on contaminated land attracts, what sort of uproar would greet a proposal to build a runway, or an entirely new airport, in London or the surrounding countryside?

"It's virtually unthinkable," says Philippe Hamon, director-general of the European division of Airports Council International, which represents the world's airports.

Yet London's four international runways - two at Heathrow and one each at Gatwick and Stansted airports - are expected to be filled to bursting by 2020. BAA, which owns all three airports, insists the government must decide what happens next. The decision is too important for a private company to make. The government has promised to begin consulting on a 30-year airport plan after it receives the Terminal Five report.

Long delays to airport projects are not unique to the UK. Munich's new airport

was a tiny island, augmented by 2,000 acres of reclaimed land. London could have had its own off-shore airport. But plans to build one at Maplin, off the Essex coast, were cancelled in 1974. "That decision was a classic failure of long-term thinking," says Desmond Cox, chairman of the Heathrow Association for the Control of Airport Noise and a leader of the anti-Terminal Five campaign.

Although offshore airports do not disturb mainlanders' sleep, they do have an environmental effect, disturbing marine and bird life. But the real obstacle is cost. Chek Lap Kok, along with its associated expressways, tunnels and high-speed rail link, cost HK\$155.3bn. The Dutch government says moving Schiphol offshore could cost up to F145bn (£19bn). Building Heathrow's Terminal Five is expected to cost £1.5bn.

In the meantime, airports are having to make more of their existing capacity. Heathrow last year squeezed more than 60m passengers through its four terminals, compared with 51m in 1994. Rigas Doganis, visiting professor at the Cranfield College of Aeronautics, says Europe could make more use of its regional airports.

Ryanair, the Dublin-based low-fares carrier, prides itself on its ability to find under-used airports with low landing charges. Its Brussels flights go to Charleroi airport, 35 miles south of the city. In Paris, it uses Beauvais airport, rather than Charles de Gaulle or Orly. This week it said it would fly to Hahn airport, 110km from Frankfurt.

Mr Cox argues that the solution to congested airports is higher fares. "Flying for £40 to most of Europe from Stansted is not realistic," he says. "People are going to have to pay realistic prices. The environmental cost has got to be reflected in the price. At the moment, people have a choice between going out to dinner or getting on a flight."

Mr Hamon rejects this view. Business travellers would pay the higher fares and leisure passengers would be forced to stay at home. "It's not a democratic solution," he says.

Instead, he argues, the industry needs to improve the case for building more airports, terminals and runways. Not enough has been made of the employment airports generate, for example. "As an industry, we're going to have to do a far better job of talking the public with us," even if it means talking them to islands in the middle of the North Sea.

Fridge full of modified genes

John Willman reports on the vegetables, fruits and foods that life science groups have altered

A wide variety of genetically modified crops has been developed by the leading life sciences groups, ranging from potatoes and cauliflower to lemons and raspberries. They offer benefits such as better insect resistance, tolerance to chemical spray, better nutritional content and longer shelf lives after harvesting.

Only four are in use in the UK food industry and two of these have relatively restricted applications.

One is the genetically modified enzyme used to make vegetarian cheese, replacing rennet which is extracted from calves' stomachs. It is now increasingly used in making hard

cheeses for general consumption. The second is the genetically modified tomatoes used to make tomato paste. These tomatoes are less likely to rot on the plant and remain firmer after picking, producing a higher yield. As a result, the paste is cheaper and - according to Safeway and the supermarket chain - scores higher in consumer taste tests.

The other two are soybeans and maize, both of which largely originate from the US. They are used much more widely - and in the case of soy is increasingly hard to find in a non-modified form. Soy is an ingredient in many products, including cakes and biscuits, chilled foods and

vegetarian textured meat products as well as soya sauce and cooking oil. It is used in about 60 per cent of processed foods.

Most of the soy used in the UK comes from the US where genetically modified crops made up about a third of the harvest last year and the share is rising rapidly. Bulk shipments routinely mix modified and non-modified, and any food product that may contain modified ingredients must be labelled as such in Europe.

Maize is also used as a basic ingredient in many food and drink products, including breakfast cereals, crisps and snacks, petfood and processed foods. It is also a source of fructose

used in soft drinks and confectionery. Europe is able to produce much of its maize needs so it is easier to keep GM grain out of the UK food chain.

Under EU rules, a food using any genetically modified ingredient must be labelled accordingly. The only exception is derivatives of soya that contain none of the protein - such as oil.

The real question, however, is whether food manufacturers always know whether GM ingredients are in their products. One food company - which does not want to be identified - found traces of genetic modification in 14 out of 20 products it believed to be GM-free.

Genetically modified products	Used in
Vegetarian cheese and other cheeses	
Tomato paste	
Chilled foods, cakes and biscuits, vegetarian textured meat products, processed foods	
Cakes and snacks, cereals, pet food, processed foods	





CURRENCIES & MONEY

Dollar bounces

MARKETS REPORT

By Alan Beattie

The dollar bounced against the yen yesterday after a Japanese interest rate cut temporarily convinced some that monetisation was imminent.

But as market participants reassessed the implications of the move, they decided that the Bank of Japan's move was more likely to be a concession than a conversion to looser policy.

EURO SPOT FORWARD AGAINST THE EURO

Table with columns for currency, bid/ask, change, and various forward rates for Euro spot and forward contracts.

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Table with columns for currency, bid/ask, change, and various forward rates for Dollar spot and forward contracts.

POUND SPOT FORWARD AGAINST THE POUND

Table with columns for currency, bid/ask, change, and various forward rates for Pound spot and forward contracts.

WORLD INTEREST RATES

Table showing interest rates for various countries and currencies, including Euro-zone, US, Japan, and others.

INTERNATIONAL CURRENCY RATES

Table showing international currency rates for various currencies like Euro, Dollar, Pound, etc.

CROSS RATES AND DERIVATIVES

EXCHANGE CROSS RATES

Table showing exchange cross rates for various currencies like DM, SF, etc.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit rates for various currencies.

UK INTEREST RATES

LONDON MONEY RATES

Table showing London money rates for various currencies and interest rates.

BASE LENDING RATES

Table showing base lending rates for various banks and currencies.

UK FOREX FUTURES - OPTIONS

Table showing UK forex futures and options data.

OFFSHORE COMPANIES BY LAWYERS

Text advertisement for offshore companies by lawyers.

UK'S LEADING FUTURES BROKER

Text advertisement for UK's leading futures broker.

FOREX FUTURES & OPTIONS

Text advertisement for forex futures and options.

FOREX CMG ON THE NET

Text advertisement for Forex CMG on the net.

BERKELEY FUTURES LIMITED

Text advertisement for Berkeley Futures Limited.

TENFORE

Text advertisement for Tenfore.

mini REUTERS

Text advertisement for mini Reuters.

FOREX CMG ON THE NET

Text advertisement for Forex CMG on the net.

DBC International

Text advertisement for DBC International.

WORLD INTEREST RATES

Table showing world interest rates for various countries and currencies.

INTERNATIONAL CURRENCY RATES

Table showing international currency rates for various currencies.

EXCHANGE CROSS RATES

Table showing exchange cross rates for various currencies.

UK INTEREST RATES

LONDON MONEY RATES

Table showing London money rates for various currencies and interest rates.

UK FOREX FUTURES - OPTIONS

Table showing UK forex futures and options data.

UK'S LEADING FUTURES BROKER

Text advertisement for UK's leading futures broker.

FOREX CMG ON THE NET

Text advertisement for Forex CMG on the net.

TENFORE

Text advertisement for Tenfore.

FOREX CMG ON THE NET

Text advertisement for Forex CMG on the net.

UNIT TRUSTS

WINNERS AND LOSERS

Table with columns for 'TOP FIVE OVER 1 YEAR' and 'BOTTOM FIVE OVER 1 YEAR' listing various unit trusts and their performance metrics.

Table with columns for 'TOP FIVE OVER 3 YEARS' and 'BOTTOM FIVE OVER 3 YEARS' listing various unit trusts and their performance metrics.

Table with columns for 'TOP FIVE OVER 5 YEARS' and 'BOTTOM FIVE OVER 5 YEARS' listing various unit trusts and their performance metrics.

Table with columns for 'TOP FIVE OVER 10 YEARS' and 'BOTTOM FIVE OVER 10 YEARS' listing various unit trusts and their performance metrics.

Tables show the result of investing £1,000 over different time periods. Trusts are ranked on 3-year performance. Warning: past performance is not a guide to future performance.

Indices

Table showing performance of various indices like Average Unit Trust, Average Investment Trust, etc.

Table showing performance of UK Growth indices.

Table showing performance of UK Growth & Income indices.

Table showing performance of UK Smaller Companies indices.

Table showing performance of UK Equity Income indices.

Table showing performance of UK Equity & Bond Income indices.

UK Eq & Bd

Table showing performance of UK Equity & Bond indices.

Table showing performance of UK Fixed Interest indices.

Table showing performance of UK Gift indices.

Table showing performance of Far East ex Japan indices.

Table showing performance of Far East inc Japan indices.

Table showing performance of Japan indices.

Europe

Table showing performance of European indices.

Table showing performance of Global Emerging Mkts indices.

Table showing performance of International Equity Income indices.

Table showing performance of International Fixed Interest indices.

Table showing performance of International Equity & Bond indices.

Table showing performance of International Growth indices.

Best Peps

Table showing performance of Best Peps indices.

Table showing performance of Property indices.

Table showing performance of Nth America indices.

Table showing performance of Commodity & Energy indices.

Table showing performance of Investment Trust Units indices.

Table showing performance of Fund of Funds indices.

INVESTMENT TRUSTS

WINNERS AND LOSERS

Table with columns for 'TOP FIVE OVER 1 YEAR' and 'BOTTOM FIVE OVER 1 YEAR' listing investment trusts and their performance metrics.

Table with columns for 'TOP FIVE OVER 3 YEARS' and 'BOTTOM FIVE OVER 3 YEARS' listing investment trusts and their performance metrics.

Table with columns for 'TOP FIVE OVER 5 YEARS' and 'BOTTOM FIVE OVER 5 YEARS' listing investment trusts and their performance metrics.

Table with columns for 'TOP FIVE OVER 10 YEARS' and 'BOTTOM FIVE OVER 10 YEARS' listing investment trusts and their performance metrics.

Tables show the result of investing £1,000 over different time periods. Trusts are ranked on 3-year performance. Warning: past performance is not a guide to future performance. For investment trust prices see main page.

Table showing performance of Int General indices.

Table showing performance of Int Capital Growth indices.

Table showing performance of Int Income Growth indices.

Table showing performance of Smaller Cos Int'l indices.

Table showing performance of UK General indices.

Table showing performance of UK Capital Growth indices.

Table showing performance of UK Inc Gth indices.

Table showing performance of Smaller Cos UK indices.

Table showing performance of High Income indices.

Table showing performance of Venture & Devt Cap indices.

Table showing performance of North America indices.

Table showing performance of Europe indices.

Table showing performance of Japan indices.

Table showing performance of Far East inc Japan indices.

Table showing performance of Far East ex Japan, General indices.

Table showing performance of Far East ex Japan, Single Country indices.

Table showing performance of Emerging Markets indices.

Table showing performance of Closed End Funds indices.

Table showing performance of Property indices.

Table showing performance of Split - Capital indices.

Table showing performance of Split - Inc & Residual Cap Shares indices.

Table showing performance of Split - Income indices.

Table showing performance of Split - Zero Dividend indices.

UNIT TRUST LAUNCHES

Table listing new unit trust launches with columns for Manager, Sector, Target Yield, etc.

Table listing new unit trust launches with columns for Manager, Sector, Target Yield, etc.

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FT MANAGED FUNDS SERVICE

Authorised and Insurances

FT Cytel Unit Trust Prices are available over the telephone. Call the FT Cytel Help Desk on (444 777) 874 4326 for more details.

Table of FT Managed Funds Service, columns include Fund Name, Price, and Change. Includes sections for FT Cytel Unit Trusts, FT Managed Funds, and FT Cytel Unit Trusts.

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Table of FT Managed Funds Service, columns include Fund Name, Price, and Change. Includes sections for FT Cytel Unit Trusts, FT Managed Funds, and FT Cytel Unit Trusts.

PAUL SMITH LONDON TRAVEL SUIT. Includes address: PAUL SMITH STORES, 100 MARK LANE, LONDON EC3R 7DF. Also mentions STOCKISTS: GIFFORD STREET, LONDON; HARVEY NICHOLS, KNIGHTSBRIDGE, LONDON.

PROPERTY UNIT TRUSTS

Table listing Property Unit Trusts with columns for Fund Name, Price, and Change.

INSURANCES

Table listing Insurances with columns for Fund Name, Price, and Change.

Table listing various unit trusts with columns for Fund Name, Price, and Change.

Table listing various unit trusts with columns for Fund Name, Price, and Change.

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Insurances, Money Markets and Other

FT MANAGED FUNDS SERVICE

FT Chimes Ltd. Trust Prices are available over the telephone. Call the FT Chimes Help Desk on (44-171) 673 4278 for more details.

Main table containing financial data for various insurance and managed funds services, including columns for company names, fund names, and numerical values.

MANAGEMENT SERVICES

Table listing management services with columns for company name, service type, and contact information.

Money Market Trust Funds

Table listing money market trust funds with columns for fund name, provider, and details.

Money Market Bank Accounts

Table listing money market bank accounts with columns for bank name, account type, and interest rates.

Money Market

Table listing various money market products and services with columns for provider, product name, and details.

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FT MANAGED FUNDS SERVICE

Offshore Insurances and Other Funds

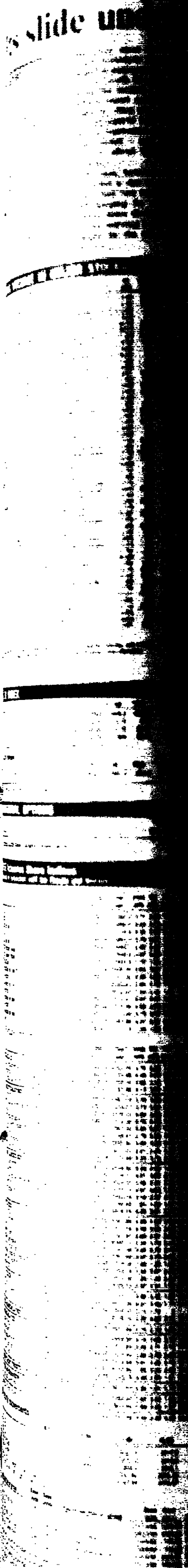
FT Offshore Unit Trust Prices are available over the telephone. Call the FT Offshore Help Desk on (44 171) 873 4376 for more details.

Table of fund data including columns for fund name, price, and other metrics. Includes sub-sections like 'OTHER OFFSHORE FUNDS' and 'FT Offshore Unit Trust Prices'.

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Advertisement for FT Managed Funds Service. Text: 'MORE PEOPLE LIVING LONGER INTO RETIREMENT. FEWER LEFT TO SUPPORT THEM. AN INSTITUTIONAL INVESTOR CAN GO GREY JUST THINKING ABOUT IT.' Includes a logo and the tagline 'Serving Institutional Investors Worldwide'.



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LONDON STOCK EXCHANGE

Gilts slide undermines strong rise in Footsie

MARKETS REPORT

By Peter John

The UK market shot higher yesterday in response to global and corporate encouragement. By mid-morning the FTSE 100 index had driven forward 144 points and was back - unsustainably - above 6,000.

not only came out above analysts' forecasts but included a positive statement. The Lloyds figures are the first from the leading banks, most of which report next week.

News that the Bank of Japan is to cut its overnight call rate to 0.15 per cent from 0.25 per cent prompted a big switch out of US Treasury bonds and into Japan.

the market reflected the question that many strategists have been asking - how firm is the market at 6,000? Richard Kersley at CSFB says: "While the stronger economy is putting a floor under the earnings outlook, it might also be putting a ceiling on the market's valuation multiple."

Clues will appear next week when retail price index data, retail sales figures and labour market statistics are all released. Turnover by 6pm reached 1.15bn shares, strong by Friday standards. It was weighted heavily in favour of Footsie stocks.

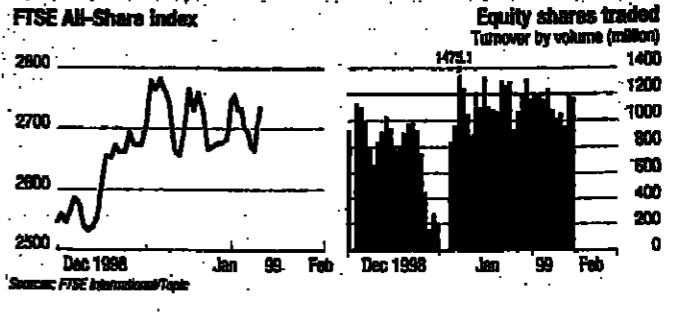


Table with FTSE 100 index, FTSE 250, FTSE All-Share, FTSE All-Share yield, FT 30, FTSE Non-Fin plc, FTSE 100 Fut Mar, 10 yr Gilt yield, Long gilts yield ratio.

TRADING VOLUME IN MAJOR STOCKS

Table listing trading volume for various stocks including BP, British Airways, British Telecom, etc.

EQUITY FUTURES AND OPTIONS TRADING

Table showing derivatives trading volume for FTSE 100 Index Futures and Options.

Lloyds TSB leads banks to big gains

Analysts brushed aside the decline in headline profits which fell 4.6 per cent to £3.01bn and, instead, focused on 14 per cent growth in underlying profits which came in at £3.8bn.

MAIN MOVERS

Table listing main movers in the FTSE 350, including British Telecom, British Airways, etc.

FT 30 INDEX

Table showing FT 30 index performance for Feb 12, 11, 10, 9, 8, 7, 6, 5, 4, 3, 2, 1, and High/Low.

FTSE - LEADERS & LAGGARDS

Table showing percentage changes for FTSE leaders and laggards.

RISES AND FALLS

Table showing rises and falls in various sectors.

NEW 52 WEEK HIGHS AND LOWS

Table listing new 52 week highs and lows for various stocks.

TRADITIONAL OPTIONS

Table showing traditional options for FTSE 100, FTSE 250, etc.

FTSE Actuaries Share Indices

Table showing FTSE Actuaries share indices.

LIFE EQUITY OPTIONS

Table showing life equity options.

LONDON RECENT ISSUES: EQUITIES

Table showing London recent issues in equities.

Hourly movements

Table showing hourly movements for FTSE 100, FTSE 250, etc.

Equity futures and options

Table showing equity futures and options.

STOCK MARKET TRADING DATA

Table showing stock market trading data.

RIGHTS OFFERS

Table showing rights offers.

Large table containing FTSE Actuaries Share Indices, FTSE 100, FTSE 250, FTSE All-Share, FT 30, FTSE Non-Fin plc, FTSE 100 Fut Mar, 10 yr Gilt yield, Long gilts yield ratio, and various other market data.

Advertisement for FTSE International with the slogan 'We want your business.' and contact information.



26

LONDON SHARE SERVICE

OTHER INVESTMENT TRUSTS

Table listing various investment trusts with columns for name, price, and change.

INVESTMENT COMPANIES

Table listing investment companies with columns for name, price, and change.

LEISURE & HOTELS

Table listing leisure and hotel companies with columns for name, price, and change.

LIFE ASSURANCE

Table listing life assurance companies with columns for name, price, and change.

MEDIA

Table listing media companies with columns for name, price, and change.

MEDIA - Continued

Table listing media companies (continued) with columns for name, price, and change.

OIL EXPLORATION & PRODUCTION

Table listing oil exploration and production companies with columns for name, price, and change.

OR, INTEGRATED

Table listing OR and integrated companies with columns for name, price, and change.

OTHER FINANCIAL

Table listing other financial companies with columns for name, price, and change.

PROPERTY - Continued

Table listing property companies (continued) with columns for name, price, and change.

RETAILERS, FOOD

Table listing retailers and food companies with columns for name, price, and change.

RETAILERS, FOOD

Table listing retailers and food companies (continued) with columns for name, price, and change.

PAPER, PACKAGING & PRINTING

Table listing paper, packaging, and printing companies with columns for name, price, and change.

PROPERTY - Continued

Table listing property companies (continued) with columns for name, price, and change.

RETAILERS, FOOD

Table listing retailers and food companies with columns for name, price, and change.

RETAILERS, FOOD

Table listing retailers and food companies (continued) with columns for name, price, and change.

PAPER, PACKAGING & PRINTING

Table listing paper, packaging, and printing companies with columns for name, price, and change.

SUPPORT SERVICES

Table listing support services companies with columns for name, price, and change.

TELECOMMUNICATIONS

Table listing telecommunications companies with columns for name, price, and change.

TELECOMMUNICATIONS

Table listing telecommunications companies (continued) with columns for name, price, and change.

TORACCO

Table listing tobacco companies with columns for name, price, and change.

SUPPORT SERVICES

Table listing support services companies with columns for name, price, and change.

TELECOMMUNICATIONS

Table listing telecommunications companies with columns for name, price, and change.

TELECOMMUNICATIONS

Table listing telecommunications companies (continued) with columns for name, price, and change.

TORACCO

Table listing tobacco companies with columns for name, price, and change.

TRANSPORT - Continued

Table listing transport companies (continued) with columns for name, price, and change.

WATER

Table listing water companies with columns for name, price, and change.

WATER

Table listing water companies (continued) with columns for name, price, and change.

TRANSPORT - Continued

Table listing transport companies (continued) with columns for name, price, and change.

WATER

Table listing water companies with columns for name, price, and change.

WATER

Table listing water companies (continued) with columns for name, price, and change.

AIM - Continued

Table listing AIM companies (continued) with columns for name, price, and change.

AIM

Table listing AIM companies with columns for name, price, and change.

AIM

Table listing AIM companies (continued) with columns for name, price, and change.

Advertisement for Charles Schwab, featuring a '26' logo and text: 'Don't miss our closing date for PEP applications. PEP application forms must be with Charles Schwab by 26th March 1999. Call 0870 601 8888 for your application pack, quoting FT452. Charles Schwab Helping Investors Help Themselves www.schwab-worldwide.com/europe'

AIM Alternative Investment Market

Table listing AIM companies with columns for name, price, and change.

GUIDE TO LONDON SHARE SERVICE

Price and listing information for the London Share Service are delivered by... This service is available to companies whose shares are eligible for listing on the London Stock Exchange... FT Free Annual Reports Club... FT Cityline... The FT web site...

Highs & Lows shown on a 52 week basis

WORLD STOCK MARKETS

NORTH AMERICA

UNITED STATES Feb 12/US\$

Table of US stock market data including S&P 500, Dow Jones, and various sector indices with 52-week high and low values.

EUROPE (EMU) Prices in €

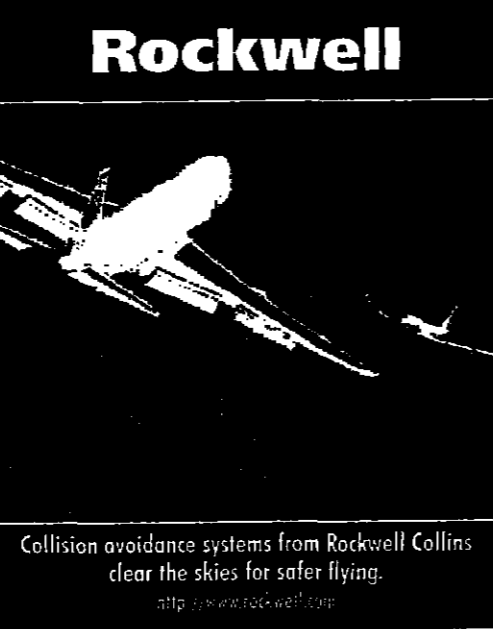
Table of European stock market data for EMU countries, including Germany, France, Italy, and others.

EUROPE (NON-EMU)

Table of European stock market data for non-EMU countries, including the UK, Switzerland, and others.

ASIA

Table of Asian stock market data for various regions including Japan, Hong Kong, and others.



Collision avoidance systems from Rockwell Collins clear the skies for safer flying.

INDICES

Table of various regional and sector indices with their respective values and changes.

US INDICES

Table of US market indices including S&P 500, Dow Jones, and other key indicators.

AFRICA

Table of African stock market data for various countries.

PACIFIC

Table of Pacific stock market data for various regions.

INDEX FUTURES

Table of index futures contracts for various markets.

US FUTURE

Table of US futures contracts including commodities and financial instruments.

EURO FUTURE

Table of European futures contracts.

ASIA FUTURE

Table of Asian futures contracts.

Test rate terms plus lower

high

150

Interest rate concerns push Dow lower

AMERICAS

Wall Street fell in early trading as concerns about interest rates and competition in the computer industry pushed the market lower across the board, writes John Labate in New York.

Bonds came in for some fairly aggressive selling after the Bank of Japan cut its key interest rate. The 30-year bond price tumbled 1 1/2 to 97 1/2, sending the yield up to 5.394 per cent.

In the tech sector, all eyes were on the falling price of Dell Computer, down 9 1/2 at \$24.4, which helped to send the Nasdaq composite index down 55.74 to 2,249.81.

On Thursday, the Nasdaq gained more than 96 points, its greatest one-day points rise ever. "It's an extraordinarily volatile and uncertain environment," said Hugh Johnson, chief investment officer at First Albany.

Dell Computer shares dropped after an analyst at Banc Boston scaled back estimates of the computer producer's revenues.

Other sharp tech falls included Intel, off 5 1/2 to \$127.4, and computer maker Gateway, down 4 1/2 to more than 6 per cent to \$71.4.

Among initial public offerings, United Pan-Europe Communications of the Netherlands gained \$84 to \$404 as the company issued

ADS shares in the US market

Shares of management search company Korn/Ferry, which launched an IPO on Thursday, were down 10 per cent to \$114. Prodigy Communications, also an IPO on Thursday, climbed 27 per cent to \$38.8.

US markets will be closed on Monday for Presidents Day.

TORONTO moved lower in early trading, taking its cue from the soft start on Wall Street and slipping 36.81 to 6,454.00 on the 300 composite index at noon.

Northern Telecom lost C\$2 at C\$28.50 and Mittel gave up 30 cents at C\$9.80. In conglomerates, Canadian Pacific fell 50 cents to C\$28.70 and Power Corp lost 60 cents at C\$29.50.

Gold provided a firm feature. Among leaders, Barrick added 70 cents at C\$28.60 while Placer Dome improved 55 cents to C\$17.65.

SAO PAULO lost ground in morning trading with the Bovespa index dipping 88 to 8,922 at mid-session.

Petrobrás shed 1.5 per cent to R\$151 and Telebrás eased 0.2 per cent to R\$131.20.

MEXICO CITY moved lower in early trading as investors nervously eyed the market's opening on Wall Street.

At mid-session, the IPC was off 17.82 at 4,090.12.

BUENOS AIRES was lower in early afternoon trade on weakness in Brazil and New York. By mid-session, the Merval index was trading 4.95 lower at 386.67 in light volume of 2.9m.

YPF was down 0.35 pesos at 25.65 pesos after reporting fourth-quarter results.

Jo'burg slips off highs

SOUTH AFRICA

Shares in Johannesburg pared early gains, with the all share index ending 45.2 higher at 5,332.3 after touching a session high of 5,360.4. Late selling centred on the banking sector where Stan-

Telecoms-inspired rally falters in late trade

EUROPE

Early Telecoms-led strength for European shares petered out in late trading and markets ended little changed on both the day and the week.

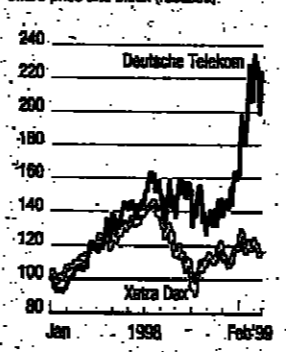
FRANKFURT powered forward from the opening bell with Deutsche Telekom surging on the back of robust results from UK rival British Telecommunications. Telekom ended up €2 at €38.60 but the Xetra Dax index could manage only a 27.45 gain to 4,995.54 after a session peak of 4,995.53.

Viel moved up €7 to €499 following a round of broker upgrades on the back of better-than-expected results.

BMW rallied, adding €17 at €724 on a revival of takeover speculation after media reports that Volkswagen was keen to take a stake in BMW. VW added €1.34 at €65.50.

Among lesser caps, Rheinmetall rose 95 cents to €21.05 after the group announced that it was close to agreement on a UK acquisition.

Deutsche Telekom



Source: DataStream/ICI

PARIS failed to keep in step with the modestly better trend across Europe, dipping 11.98 to 4,060.92 on the CAC 40 index as the bank and oil sectors lost ground.

BNP shed €1.70 to €74.30 while Elf Aquitaine came off €3.55 or 3.7 per cent to €91.30. Glass leader Saint Gobain fell €5.5 to €128.8.

Air Liquide, which hit a five-month low on Thursday, rebounded on technical buying, adding €7.10 at €135.60.

Nickel group Eramet jumped

€2 or 10.2 per cent to €28 on news of its impending privatisation.

AMSTERDAM pushed the AEX index up 5.26 to 523.33, helped by a 5.2 per cent surge for retail retailer Ahold which rose €1.76 to €35.15.

Upeast contract news sent ASM Lithography 50 cents ahead at €30.15. KPN shared in the broad upturn for telecom shares, gaining €1.55 at €43.65.

Office goods leader Buhmann continued to rally, gaining €1 to €17 as Wednesday's strong results sparked broker upgrades.

ING came off 95 cents at €49.90 after restructuring plans for its Bearings unit prompted few fresh insights.

MILAN ended off its best levels although a handful of blue chips closed with healthy gains. The real-time MIBtel index finished 194 higher at 23,295.

Telecom Italia Mobile put on 25 cents to €5.55 as investors reversed last week's losses by switching out of Telecom Italia. Tim was

spurred on by talk that it could launch an internet linked service.

Telecom Italia was flat at €3.38, held back by the view that its planned deal with Rupert Murdoch was on the rocks.

Banca Intesa jumped 16 cents to €4.61, pulling the rest of the sector higher on renewed enthusiasm for pan-European sector consolidation.

Market speculation suggested Intesa might be interested in acquiring part of Banca Crèdit Lyonnais.

Rolo France put on 84 cents to €23, extending the rally that began after the bank reported better-than-expected 1998 results on Thursday.

Fiat shifted into reverse after Thursday's strong performance as the market became cautious about hopes for a cut in taxes on new cars in its key Brazilian market. The shares eased 9 cents to €2.84.

Analysts noted Fiat had also declined to comment on press reports that it was still in talks with Swedish

car and truck maker Volvo.

Prill, another of Thursday's winners, put on 9 cents to €2.70 on news of a strategic alliance with Cooper Tire & Rubber of the US.

Defence and engineering group Finmeccanica put on 5 cents to €1.11 in heavy volume on hopes of restructuring in the sector.

MADRID gave up most of its morning gains under the influence of a falling Dow.

The general index turned

back from an intraday high of 577.46 to close up 3.28 at 864.86.

Energy group Repsol eased 18 cents to 438.29 ahead of publication of 1998 results on Monday when the group is expected to announce a 12 per cent rise in net profits.

Written and edited by Michael Morgan, Jeffrey Brown and Peter Hall

FTSE Actuaries Share Indices

Table with columns: Index, Euro, Days, Change, Yield, etc. Lists various FTSE indices and their performance.

Banks lead surge in Bangkok

ASIA PACIFIC

A raft of positive news got SE Banking firmly behind BANGKOK sending bank shares in particular zooming ahead.

In active B\$5.9bn turnover, the benchmark SET index surged 33.76 or 10.8 per cent to 347.43.

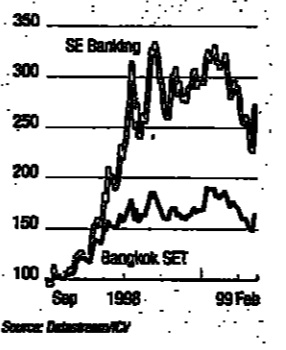
Government was boosted by Wall Street's overnight rally and a denial from the IMF that its talks with Thailand had run into difficulties.

In addition, government financial reform took a further significant step with the passing of the bankruptcy bill, and Krung Thai Bank, the sector leader, cut its lending rates by half a point.

The market stormed higher across the board with the Nikkei 225 index edged up 21.29 to 13,973.69.

The index failed to close above the psychologically important 14,000 barrier for the fifth day running, moving between 13,925.04 and 14,082.92.

Thailand



Source: DataStream/ICI

The market advanced, as the Nikkei 225 index edged up 21.29 to 13,973.69.

The index failed to close above the psychologically important 14,000 barrier for the fifth day running, moving between 13,925.04 and 14,082.92.

Trading volume was unusually heavy, with 434.87m shares exchanged. Other measures of market performance were mixed: the Nikkei 300 advanced 1.47 or 0.7 per cent to 217.12, and the Topix index of first section stocks climbed 6.44 or 0.6 per cent to 1,069.53. Losing

shares exceeded winners by 583 to 584, with 165 issues unchanged.

Trading was heaviest in financials and leading exporters. Sakura Bank topped the market in volume, gaining ¥6 to ¥261.

The Bank of Tokyo-Mitsubishi added ¥38 to ¥1,353, Sanwa Bank advanced ¥26 to ¥1,130, and Nomura was up ¥5 to ¥217.

Sunimomo Trust jumped 10.3 per cent to ¥32 to ¥343 and Mitsubishi Trust gained ¥22 or 2.42 per cent to ¥930 amid rumours of a merger or strategic tie-up. Both companies denied the speculation.

Teikoku Hormone Manufacturing surged 14.3 per cent to ¥100 to ¥110 after a report in the Financial Times that the health and welfare ministry was set to approve the contraceptive pill in Japan next month.

In Osaka, the OSE added 74 to 14,753.

SEOUL rose 27.78 or 5.3 per cent to 551.77 on the composite index, buoyed by foreign buying, positive programme trades and upside pressure from the futures market. Trading volume climbed to 165m shares. The banks

sector jumped 10.7 per cent. HONG KONG closed sharply higher on futures-related buying, initially fuelled by gains on Wall Street. It received further impetus from expectations, confirmed after the market closed, that the government would resume land sales.

The Hang Seng index rose 278.62 or 3.1 per cent to 9,454.42.

KUALA LUMPUR pulled back from its best levels as investors squared positions ahead of the Chinese lunar new year, eroding gains posted earlier in the day on purchases by local funds.

The composite index ended 7.84 ahead at 570.79, off a high of 575.19. Commerce Asset, which reported announcing the biggest bank merger in Malaysian corporate history, was the most actively traded share. It rose 32 cents to M\$3.60.

AUCKLAND rebounded strongly from its oversold position midweek and the NZSE-40 capital index ended 31.46 higher at 2,169.00.

Brokers said the rebound was driven primarily by a robust 31 cents gain in Telecom to MZ\$9.16.

LONDON STOCK EXCHANGE - DEALINGS

Large table listing various stock deals on the London Stock Exchange, including company names, share counts, and prices.

COMPANIES & FINANCE

BANKING GROUP SPELLS OUT CRITERIA FOR ACQUISITIONS

Lloyds TSB upbeat on UK economy

By Clay Harris

Lloyds TSB Group gave bank shares a boost yesterday by reporting strong results for 1998 and a sanguine outlook for the UK economy.

Other bank shares also rose to close a week in which Barclays found a new chief executive and speculation continued about consolidation in the sector.

Because of its size and highly rated shares, Lloyds TSB has few limits on the takeover targets it could consider.

Peter Ellwood, group chief executive, said: "We've run our slide rule over most of the institutions in the UK."

party if the deal we would get into would hurt shareholder value."

Single branding planned for the bigger black horse

Christopher Brown-Humes and Clay Harris on the next steps for the merged Lloyds TSB

Lloyds TSB Group yesterday signalled that it would be able to achieve more than the £400m it originally promised in annual cost savings from merging with TSB.

Ellwood, group chief executive, noted that with 2,550 branches, the bank still had 500 more of them than its nearest competitor.

Operating expenses fell 2 per cent, and costs accounted for 46.6 per cent of income, against 49 per cent before.

caused by the fall in bond yields last year, and is an issue facing the entire pension industry.

The provision was balanced by a £123m credit relating to a fall in the discount rate applied to Abbey's life businesses.

Top managers to go in M&S reorganisation

By Peggy Hollinger

Marks and Spencer is expected to cut up to a fifth of its senior management jobs as part of a restructuring to be finalised in the coming weeks.

greater number of job losses than 200. Referring to the 900 cuts made in 1991, he noted they had all crept back into the business: "We did it once and we need to do it again."

Electra board split over £1.2bn approach from 3i

By Katharine Campbell

A split has appeared in the board of Electra Investment Trust as it seeks alternatives to a £1.2bn bid approach from 3i, its larger venture capitalist rival.

For Mr Stoddart, who this week announced he would stay on until the future of the company was "resolved", a deal with 3i would be a fitting coda to a long distinguished career in UK venture capital.

interpreted as differences of opinion. All the non-executives [of EIT] have been actively involved in reviewing all the options"

Table with financial data including Turnover, Pre-tax profit, EPS, Dividends, and Investment Trusts.

BA to take 9% of Iberia for £200m

By Michael Slapinker in London and David White in Madrid

British Airways yesterday announced it would buy a 9 per cent stake in Iberia of Spain for about £200m.

NEWS DIGEST

ENGINEERING

BAe 'puzzled' at talk of Royal Ordnance sale

British Aerospace reacted with surprise yesterday to a suggestion by Hans Brauner, chief executive of Rheinmetall, that the two companies were close to an agreement about the future of BAe's Royal Ordnance munitions business.

Flowserve cools on Weir

Flowserve, the US maker of pumps, seals and valves, is thought unlikely to renew its interest in Weir Group, the Glasgow-based engineer that last week rebuffed its takeover approach.

SSAB suffers under falling prices

SSAB, the Swedish steel group, yesterday said its product prices fell 8 per cent in January compared with the fourth quarter of 1998, as the downturn in Asian consumption continued to hit prices in Europe.

TELECOMMUNICATIONS

Equant seeks to raise \$3.6bn

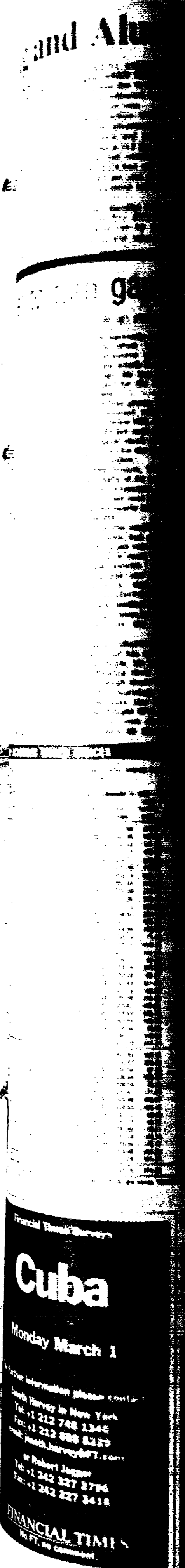
Equant, which operates one of the world's most geographically extensive voice and data networks, is raising up to \$3.6bn through a secondary share offering.

CONSTRUCTION

AAF trebled at £1.65m

AAF Industries, the system building and scaffolding group, made further progress in the six months to December 31 with pre-tax profits trebled from £543,000 to £1.65m.

Advertisement for Offtheshelfville or... GRANVILLE, featuring financial services and contact information.





brother PRINTERS FAX MACHINES

COMPANIES FT MARKETS

Weekend February 13/February 14 1999

THE LITCHFIELD GROUP OF COMPANIES

Cooper Tire sets up alliance with Pirelli

Strategic tie-up will pool operations in the Americas

By John Griffiths

Pirelli, the Italian tyres and cables group, and Cooper Tire and Rubber of the US have established a strategic alliance for their businesses in North and South America.

gain access to the troubled but potentially large markets of South America, where Pirelli is a market leader.

of two companies." While not ruling out some form of equity tie-up with Cooper at a later date, Mr Tronchetti Provera said the link-up was likely to be only one of several Pirelli moves likely to forge as part of a strategy to remain a competitive global player.

Argentina seeks \$6bn from IMF to cushion Brazil strife

By Ken Warn in Buenos Aires

Argentina is seeking to double its funds available from the International Monetary Fund to about \$6bn to bolster itself against the fallout from the Brazilian devaluation crisis.

THE LEX COLUMN

Bill's back

Guess what: the tawdry impeachment saga might actually end up having a positive influence on Washington politics.

Instead of a lame duck president and a Congress gridlocked along partisan lines, Bill Clinton has emerged re-energised.

How will this affect economic policy? To the extent that President Clinton now has the upper hand, his plan to save Social Security and pay down government debt is likely to win out over Republican tax cutting proposals, which is good for bonds.

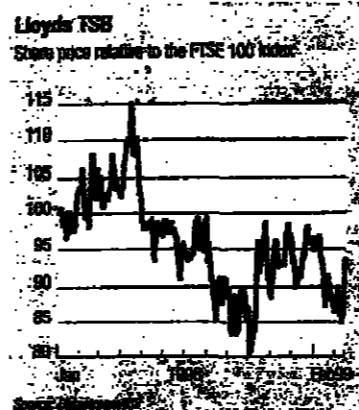
Argentina signed a \$2.8bn extended fund facility with the IMF in February last year. Increasing this would signal IMF support for Argentina after the Brazilian crisis, and underline the multilateral lending agencies' determination to minimise the risks of "contagion" in the region from the Real's devaluation.

Argentina has so far not drawn down any of the contingency funding and it is believed the IMF will be receptive to the request.

Argentina is understood to be able to meet its funding needs for the first half of this year without resort to the facility. This month it and Mexico launched the first Latin American sovereign bonds since Brazil floated the Real.

Devaluation in Brazil, Argentina's biggest trading partner, has sharply cut growth forecasts for Argentina, but President Carlos Menem, and Fernando Henrique Cardoso, his Brazilian counterpart, yesterday restated their commitment to trade integration in the region.

Sanwa Bank said it would become the single largest shareholder in Toyo Trust and Banking, which is ranked fifth in the trust-bank sector. Sanwa will purchase all of a new third-party allocation of shares worth ¥100bn, raising its stake in Toyo from 4.9 per cent to about 13 per cent.



Lloyds TSB Share price relative to the FTSE 100 index

the UK's economic slowdown will not cause the bad debt problems that bedevilled banks in the early 1990s, comments that prompted a sector-wide rally. Even so, it is hard to see Lloyds sustaining returns on equity of over 80 per cent this year on its existing businesses.

One solution would be a deal, particularly as Lloyds has such a good record on wringing out costs. The management raised this possibility yesterday by suggesting further UK consolidation was on the cards. But the reality is that deals are still some way off.

And so far there have only been hiccups. Attempts to block imports of genetically modified foods from the US would fall foul of the World Trade Organisation, and crops that have been approved by European regulators cannot subsequently be banned.

More unsettling, potentially, is that the president's victory could allow the early retirement of Robert Rubin, Treasury secretary, though the latter has been at pains to deny this. Mr Rubin has been instrumental in the government's strong dollar policy and a staunch defender of free trade.

What should investors make of the consumer scare in Europe over genetically modified food? A knee-jerk reaction might be to sell the agro-chemicals companies that produce the seed. In Europe the main players are part of "life sciences" groups - Novartis, Hoechst and Zeneca - where valuations are mostly dependent on their drugs portfolios.

Can Lloyds TSB do no wrong? Yesterday's results showed the bank to its best advantage. More than 90 per cent of profits made in the UK, no Russian loans or hedge fund nasties and promises that sky-high equity returns can be maintained despite a slowing domestic economy.

Can Lloyds TSB do no wrong? Yesterday's results showed the bank to its best advantage. More than 90 per cent of profits made in the UK, no Russian loans or hedge fund nasties and promises that sky-high equity returns can be maintained despite a slowing domestic economy. Add to that a 29 per cent increase in the dividend - the second successive rise of such magnitude - and it is clear why the shares leapt 8 per cent on the news.

Dai-ichi Kangyo Bank faces \$8.5bn losses from bad debts

By Michio Nakamoto in Tokyo

Dai-ichi Kangyo Bank, one of Japan's large city banks, says its losses from bad debts in the year to March will surge to ¥970bn (\$8.5bn), resulting in a parent pre-tax loss of ¥630bn instead of a previously forecast profit of ¥50bn.

The bank's revised estimate of losses from bad debts is more than three times a forecast loss of ¥900bn, confirming fears that Japanese banks have under-represented the level of their bad loans.

Dai-ichi Kangyo said yesterday it would post a consolidated net loss of ¥450bn against a forecast profit of ¥15bn, making it the first big city bank in Japan to post losses for three consecutive years.

It announced restructuring that will reduce domestic branches from 339 in March last year to 280 by March 2003. It will cut the workforce by

about 3,800 in the same period and its overseas branches from 25 to 16.

Dai-ichi Kangyo's move highlights the strict restructuring measures being demanded by Japanese authorities in exchange for an injection of up to ¥7,450bn in public funds to recapitalise the country's ailing financial sector.

The bank's decision to deal with its bad debts more aggressively than planned "parallels with the Bank Recapitalisation Law... recognising the guidelines suggested by the Financial Revitalisation Commission as minimum requirements".

The bank said it planned to apply for a total of ¥900bn in public funds, which it believes would boost its capital adequacy ratio to 10.7 per cent from 9.5 per cent.

The public funds agreed so far will go towards recapitalising 15 of Japan's large banks. Tokyo Mitsubishi Bank, the biggest, aims to recapitalise

without government aid. Final approval of the injection of public funds is expected once the Financial Reconstruction Commission is confident the banks have sufficiently aggressive restructuring programmes in place and will complete their bad loan provisioning by the end of March.

In line with the Japanese authorities' desire to see a shake-up in the industry, some banks announced further tie-ups yesterday.

Sanwa Bank said it would become the single largest shareholder in Toyo Trust and Banking, which is ranked fifth in the trust-bank sector. Sanwa will purchase all of a new third-party allocation of shares worth ¥100bn, raising its stake in Toyo from 4.9 per cent to about 13 per cent.

Mitsubishi group companies and Sumitomo Trust also said they had agreed to enter jointly the defined contribution pension business.

Companies in this issue

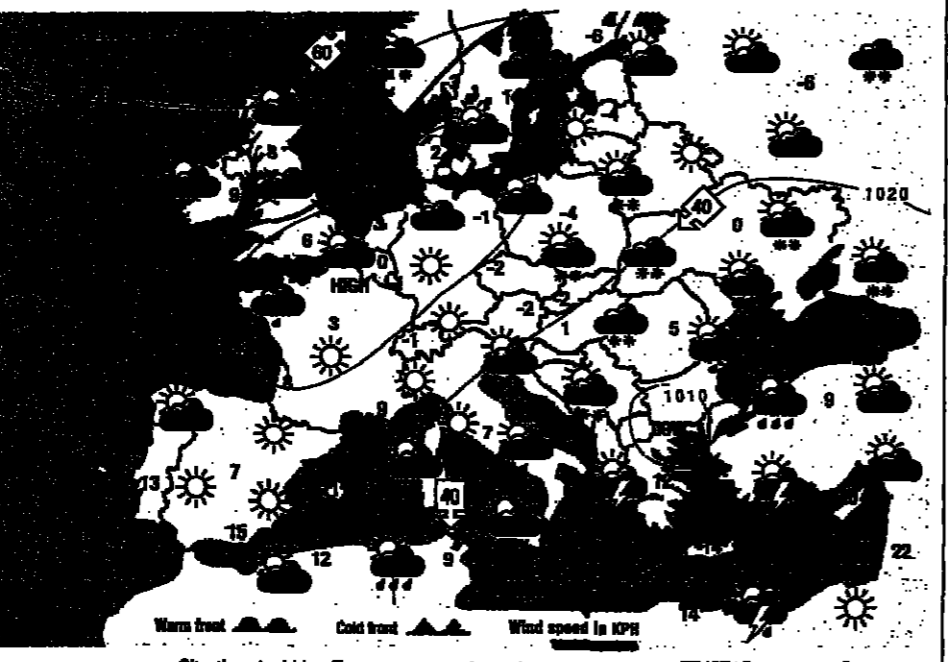
Table listing companies and their page numbers: 31, 22, 24, Credit Suisse, 23, Philips Electronics, 23, ABB, 23, Electra, 22, 24, Rheinmetall, 22, AGA, 23, Flowserve, 22, Roche, 23, Alusuisse Lonza, 23, ING Berings, 23, Rover, 23, American Airlines, 22, Iberia, 22, UPC, 23, Audi, 23, Lloyds TSB, 22, Viag, 23, BAe, 22, Merit and Spencer, 22, Veilon, 23, BMW, 23, Microsoft, 23, Volkswagen, 23, British Airways, 22, Monsanto, 5, Weir, 22

Markets Latest

Table of market data including FTSE 100, FTSE Europe 300, FTSE All-Share, Nikkei, Dow Jones Ind Ave, S & P Composite, LONDON MONEY, US LUNCHTIME RATES, NORTH SEA OIL (Argus), GOLD, and STERLING.

Weather

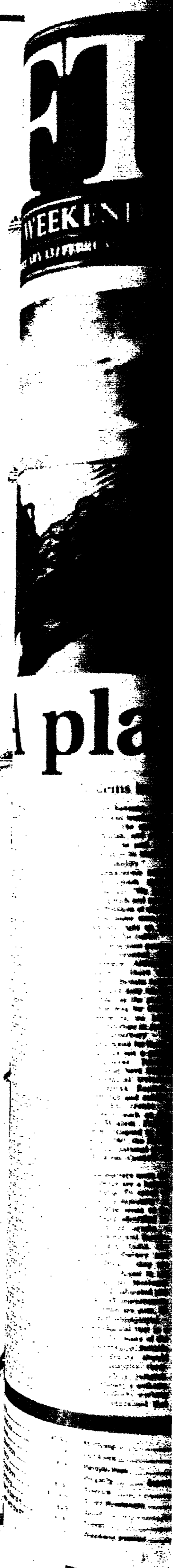
Europe today Parts of north-west Europe will have fog to start with, but should have sunshine later. Scandinavia will be warmer than recently with rain or sleet in the west and sunshine in the south; the north will have heavy snow showers. The Baltic states will be sunny, but eastern Europe will have snow showers.



Five-day forecast Western Europe will stay fine until Sunday when rain will spread southwards, followed by a cold spell by the middle of next week. Scandinavia and eastern Europe will have snow but snow showers over the Alps will die away, before returning by midweek. The central and eastern Mediterranean will have more thundery showers.

Table of today's temperatures for various cities: Abu Dhabi, Accra, Algiers, Amsterdam, Athens, Atlanta, B.Area, Bham, Bangkok, Cairns, Cardiff, Casablanca, Chicago, Cologne, Dakar, Delhi, Denver, Detroit, Dublin, Edinburgh, Frankfurt, Geneva, Glasgow, Harbin, Helsinki, Hong Kong, Honolulu, Istanbul, Jakarta, Jersey, Johannesburg, Karachi, London, Los Angeles, Luxembourg, Lyon, Madrid, Manila, Melbourne, Mexico City, Miami, Moscow, Munich, Nairobi, New York, Niigata, Osaka, Perth, Prague, Rangoon, Reykjavik, Rio, Rome, S. Francisco, Seattle, Singapore, Stockholm, Strasbourg, Taipei, Tangier, Toronto, Tel Aviv, Tokyo, Toronto, Vancouver, Varadero, Vienna, Warsaw, Washington, Wellington, Winnipeg, Zurich.

Chopard GENÈVE depuis 1860 advertisement featuring a watch image and text: 'The new movement L.U.C. Hair to a proud watchmaking tradition'.







PERSPECTIVES

The Nature of Things

On the alert for cries of pain

The human immune system may be picking up cellular distress signals, writes Clive Cookson



After the brain, our immune defences are the most complex and least understood system in the body. How do we recognise and repel harmful germs, including ones that no human being has ever encountered before, while tolerating the billions of beneficial bacteria that colonise us? How do we destroy harmful toxins while digesting vital nutrients?

Although immunologists mapped out the system's broad outlines decades ago and molecular biology is now revealing its intricate details, there is renewed debate about how it works at a fundamental level.

In particular, some scientists are moving away from the traditional view - that the immune system's primary function is to distinguish "self" from "non-self" - to a new "danger model". This maintains that the system is looking out above all for signs of distress in the body's cells rather than for foreign bodies. Polly Matzinger, an immunologist at the US National Institute of Health, is the leading promoter of the danger model.

The debate is intellectually fascinating but has many practical implications too, says Camillo Colaco, an immunologist in Cambridge setting up a biotechnology company to specialise in this field. Cancer treatments, vaccines and organ transplants could all be improved by recognising that our immune response is triggered by danger signals from distressed cells.

Alongside the emergence of the danger model is a renewed emphasis on the "innate" immune system. This provides the body's first line of defence against infection, before "adaptive" immunity kicks in.

The molecular armoury of our innate immunity - determined by the genes we inherit from our parents - remains essentially unaltered from birth to death. It includes various white blood cells and blood proteins whose role is to overwhelm invading germs as quickly as possible.

At the least, innate immunity is supposed to hold the invaders

at bay until the second line of defence, adaptive immunity, can come into play. The latter has generally held more interest for scientists. It can produce antibodies and killer T-cells of the right shape to recognise and attack almost any germ or toxin; by rearranging genes the system can potentially make trillions of different molecules.

But recent research suggests that innate immunity does more than attack invaders with generalised brute force. It seems to have specific ways of alerting the adaptive system to the presence of dangerous invaders.

According to the danger model, "dendritic cells" are a key component in the innate system. They listen out for molecular distress signals, known as shock proteins, that are given off by cells in trouble and immediately activate the acquired system to fight the invaders. Dendritic cells pick up bits of protein from invading germs and present these antigens to the adaptive immune system.

It follows, therefore, that if you want to strengthen the immune

response you should increase the activity of dendritic cells. Several laboratories are applying this principle to cancer, by mixing dendritic cells with tumour cells in order to make the immune system recognise and then fight the cancer. They hope to overcome its normal blindness to cancer, which enables tumours to grow with impunity.

Conversely, if you want to weaken the immune response, you should inactivate dendritic cells. The risk of transplants being rejected could be reduced by removing dendritic cells from the donated organ before it is transplanted into the patient.

The danger model remains controversial. But the mysteries of immunity still give much scope for new theories to arise and gain favour. An example is the intimate connection between the brain and the immune system, which explains why your state of mind influences the health of your body. Until recently, scientists had regarded the two as being entirely separate; now they are discovering the molecular

pathways that link them. Another controversial theory, now beginning to gain supporting evidence, is that exposure to infections in babyhood may prevent allergic or even autoimmune diseases in later life. The idea is that if your immune system does not experience enough germs in its formative period, it will be out of balance for the rest of your life - and make you over-sensitive to allergens such as dust particles. You may also be more susceptible to disorders in which the immune system attacks the body's own cells.

A German study, published last week in The Lancet, showed clearly that children who attended pre-school nursery and picked up infections from other children were less prone to suffer allergies such as hay fever than those who stayed at home.

The lesson is that parents who try to protect their offspring from minor childhood diseases are doing them no favours in the long run. Better for baby to suffer a few more coughs and colds than to grow up asthmatic.

Minding Your Own Business

When waste is not wanting

Edward Clack looked to jails to supply a friend's plastic recycling business. Louise Caruth reports

There had to be a way. Edward Clack, recently made redundant, was handed a business idea on a plate. But it would only work if he could solve a key problem. A friend with a recycling business mentioned that he was being offered a type of waste plastic packaging he could not handle. It had to be sorted and have any labels removed before it could be recycled, but the only machines available to do this were unreliable and expensive. Clack, a former City estate agent, says the answer came to him as he lay awake one night: "To make the recycling cost-effective you needed a workforce on a massive scale which was fundamentally cheap, for want of a nicer word. It struck me that prisons were expanding like fury, with a ready workforce which was underemployed."

The Prison Service proved enthusiastic, so he established ECA Plastics (UK) Ltd. The first hurdle cleared, he set about tackling the second: finding a prison with suitable facilities. It quickly became evident, however, that many were desperately short of appropriate working accommodation. "Many were just using scout huts," Clack says. After visiting several, however, he finally reached Wayland prison, outside Norwich, "which had excellent facilities, underemployed inmates and an inspired governor. Within two weeks of going to see Wayland in October 1996, we opened our first sorting plant there."

Then came another snag. Clack's bank, Barclays, would not help him with start-up capital, so he dug into his savings for the £25,000 needed to get the plant ready and into profit - which took about six months. "I ran the plant for the first seven months, commuting from London."

The job involves collecting the plastic waste from retail stores or distribution warehouses in loads of five tonnes or more. The bales are delivered to the prison, broken up and the material piled on to tables. Once sorted and labels removed by the inmates it is baled up again and sold to his friend's recycling plants in Norfolk and Yorkshire, with a guarantee that it will all be of the same quality and colour.

The remaining hurdle is growth. Clack has two plants - at Wayland and High Point prison, near Cambridge. Both are managed by ex-army men, with two other civilian supervisors at Wayland and one more at High Point, which has yet to reach full capacity.

Clack has yet to establish a record of sufficient profitability to borrow from his bank. He can only open new plants, therefore, once sufficient capital has been raised from revenue. "We are hoping that a large manufacturer will sponsor a plant, which will free up funds to open more plants. Otherwise it takes us about 18 months to raise the necessary capital from revenue," he says.

His aim is to have at least six plants at prisons across the UK to minimise transport costs. The High Point plant was opened in February last year. The next one will be at Cardiff prison, possibly followed by Liverpool.

Despite the nature of the workforce, there has been little trouble. But Clack had to hit the panic button once while he was running the Wayland plant.

"One inmate, who showed schizophrenic tendencies, was being picked on by another inmate and we didn't pick up soon enough what was going on. A scrap started and I called in the cavalry." At High Point, his manager Ian Dugan has had to send three inmates to the governor for disciplinary action - one inmate threatened to "slit his throat".

Clack has no control over the choice of inmates and no information about their offence. "If you knew they were an axe murderer, you would flinch every time you walked past them."

He also has to be careful about what he wears. On the first day at Wayland he donned a pair of the green overalls worn by his new inmate workforce - to appear as one of the team. A prison officer put him straight. "Take those off, you idiot," he said. "How would we pick you out if there was trouble?"

Clack is 42 but only employs civilians over 50. "Their age and experience mean they do a better job managing the inmates, who are generally between 25 and 35, than I could."

The venture depends for success on companies separating and storing the plastic waste so Clack can collect it in large quantities. "One company we have collected from since day one is now putting in a system to bring



ECA Plastics' Edward Clack, left, in High Point prison: what was needed was 'a workforce on a massive scale which was fundamentally cheap'

all the plastic waste from its stores back to its central distribution warehouse for us to collect, which is brilliant." But not all companies are so co-operative. Some have been paying contractors to export waste to India and Malaysia.

"Retailers are now coming to us, but it is a slow process. It is damaging the rate at which we can develop because we are not getting enough supplies to run the plants at full capacity."

The British government is pressing businesses to take more responsibility for their plastic waste. However, subsidies for recycling the waste evaporated from February 1, reducing Clack's revenue by 30 per cent. This has prevented him from offering payment to his suppliers.

"We are lobbying everybody from Downing Street down to

appreciate that the plastic waste recycling industry is threatened if the subsidies aren't restored." Clack is investigating new markets for his plants. "We have approached two manufacturers about recycling old consumer goods to meet new European requirements due to come into force later this year."

All his plants are run as joint ventures with the Prison Service. He pays wages and rent, which includes light, heat, power and rates, for the workshops. Running costs are about £1,700 a week at Wayland and £900 at High Point. This means the individual prison is able to recover all its costs in the early days, with the prospect of profit-sharing when supplies of plastic grow and output is higher.

While some inmates murmur about slave labour, Clack main-

tains: "We are not feeding on the plight of the inmates. We pay them on a piecework basis and they can earn between £12 and £20 a week, which is more than double normal prison wages."

The supervisors are paid the full market rate for an eight-hour day, even though the plants only operate for five and a half hours to fit in with the prison schedule. This project could not be done viably outside prison, so we are also not disadvantageous other workers."

Getting the business off the ground has taken a steady nerve. For the first two years it ran at a loss, with additional funding coming in loans from friends. But it is now breaking even. Gross profit from October 1996 to May 1997, the start of the accounting year, was £21,400 against administrative costs of £38,000 - a loss

of £16,600. Gross profit from June 1997 to May 1998 was £75,400, with administrative expenses of £96,000 - a loss of £19,600. So far this year, Clack is just about breaking even, with about £12,000 worth of work a month.

He takes a salary but has to supplement it with management consultancy work, and keeps overheads down by working from home, with his wife Nikki as co-director.

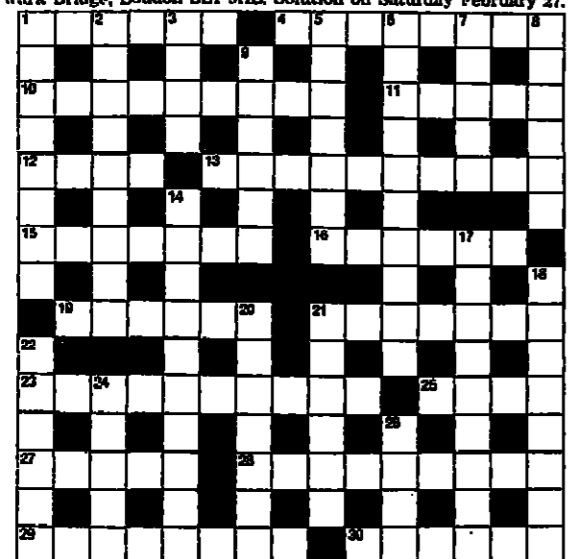
"I am not portraying myself as somehow saintly in setting up this project. I just believe those guys have a better day than they would otherwise. The project is not high-value and we will never make our fortune but it can work to everyone's benefit if we can do it on a large enough scale."

ECA Plastics (UK) Ltd, 36 Starsfield Road, London SW12 8HP; tel 0181-767 4518, fax: 0181-767 8618

CROSSWORD

No. 9,913 Set by CINEPHILE

The price of a matching set of finely engraved personalised notepaper, envelopes and correspondence cards on Ecu Kid Finish Paper from Crane & Co will be awarded for the first three correct solutions opened. Solutions by Wednesday February 24, marked Crossword 9,913 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 9NL. Solution on Saturday February 27.



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BRIDGE

The most innovative bidding gadget of recent years has been almost universally adopted by the world's expert players. Combining the ace- and king-asking attributes of old-fashioned Blackwood with vital Roman on trump strength, Roman Key-Card Blackwood is the most powerful slam convention available.

Dealer: W N/S vulnerable  
North East South West  
- - - - 2C  
NB 2D NB 2S  
NB 3S NB 4NT  
NB 5H NB 5NT  
NB 6D NB 7NT

The first major innovation is that there are five "aces" or key-cards - the fifth ace being the king of trumps. Having discovered the num-

ber of key-cards, it is possible to inquire about the queen of trumps and, subsequently, specific kings.

Responses to the 4NT inquiry are: 5C shows 0 or 3 key-cards; 5D, 1 or 4 key-cards; 6H, 2 key-cards, but no queen of trumps; 5S, 2 key-cards, with the queen of trumps.

The most common response of two key-cards also includes information about the trump queen. If the responder holds fewer or more key-cards, the 4NT bidder can still inquire about the trump queen on the next round.

Old-fashioned Blackwood inquired about the quantity of kings held but, usually, one specific king is required for a grand slam. In RKC, when all key-cards are held by the partnership, 4NT asks responder to cue-bid any king - other than king of trumps which has already been shown. If responder holds two kings not yet shown, he can be pretty certain the grand slam is on.

In the example deal, following East's 2D relay, the spade fit is discovered, and West can pinpoint the three key-cards required for the grand slam.

Paul Mendelson

CHESS

Barbican, the City team competing in Britain's 4NCL (Four Nations Chess League), are in fourth place behind the leaders Slough at the half-way stage.

But they missed a chance to go second in a competition where two teams qualify for the European Cup.

The London club, whose cosmopolitan squad includes the world under-18 champion Nick Pert and masters from Denmark and Finland as well as firm manager Simon Knott, outgraded North West Eagles, an amateur team from Liverpool and Manchester, on almost every board, but were decisively beaten 2½-5½.

Knott, who last autumn won the Hampstead masters' tournament, gave his team the best possible start.

The ancient warning against too many early moves is so well known that one assumes that no expert would lose in such a way, but it happens here (C Kennanagh v S Knott).

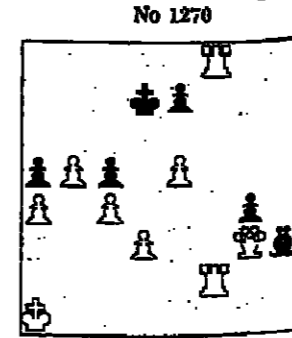
1 e4 e6 2 Qe2! e5 3 b3 Nc6 4 Bb2 e5 5 f4! Nd4 6 Qd3! d5 7 Nc3 e4 8 bxc4 dxc4 9 Qxc4 Nxc2+ 10 Ke2 Nxa1 and Black won; it's not just the material deficit, but

White's king stays exposed.

League chess enables grandmasters to pull rank against lower-rated opponents, who can become bemused by an offbeat opening.

Black operates with too few pieces but the grandmaster's plan only becomes clear at the end when if 15...Qxd5 16 Rd1 Qe6 17 Bd3 mate (A Miles v G Wall).

1 e4 g6 2 e4 e5 3 d4 Nf6 4 Nf3 Nxe4 5 Bd3 Bb4+ 6 Bf1 d5 7 Qb3 c5 8 cxd5 Nf6 9 dxc5 Nxd5 10 Bg5 Qd7 11 e3 b5 12 Be4 e4 13 Qe2 Bc5 14 Nc3 Bxc3 15 Bxd3 Resigns. No 1270



White mates in three moves, against any defence. Many solvers have been defeated by this fine old problem.

Solution, Back Page Leonard Barden

Large vertical advertisement on the right side of the page, partially obscured and difficult to read. Visible text includes 'first Lac', 'rails ag', 'corrupti', 'confo', and 'Leonard Barden'.

PERSPECTIVES

Ethics Today

With the power comes the blame

When the big scandal arrives, the Labour government will regret its accumulation of authority, writes Joe Rogaly



If Tony Blair's administration had any shame you might expect it to blush. Its foreign ministry has been castigated by a select committee of the House of Commons.

The fundamentals do not change. Arms are sold to make money. Foreign policy is driven by national interest, or a government's perception of public opinion.

could ask not to be informed about all the covert deals, backhanders, winks, nods and nudges that lie behind many sales of military hardware.

country's behaviour. This was before he became a servant of presidents and learned during the Vietnam war that public opinion is also a factor.

So far we have identified three suspects in the Sandline affair - business, reasons of state, focus group preferences.

composition of the House of Lords. Fine public servants though some of them are, none is likely to make any trouble.

conservatively. Most voters agree with most of what the administration does. Mr Blair's purpose is to retain this support.

if pain... writes Clive Cookson

of the pain... writes Clive Cookson... the pain... writes Clive Cookson...



of the pain... writes Clive Cookson... the pain... writes Clive Cookson...

of the pain... writes Clive Cookson... the pain... writes Clive Cookson...

Lunch with the FT

First Lady who rails against corruption and conformity

Fighting cynicism among Palestinians, Suha Arafat will not stay in the background, says Judy Dempsey

The women of Gaza had been waiting all morning for her. Then suddenly, one Palestinian woman shouted: "There she is."

She suspects the feeling is mutual, since she is unusual for someone in such a position - and as a woman - for speaking out against corruption in the authority.

"What can I do?" said Suha Arafat, who turns 36 this summer. "Every day they come here asking me to help them. It's not my job. They - the Palestinian Authority - should visit them and see their living conditions."

With startling frankness, Mrs Arafat said families were too large, intermarriage too common. "We have to educate the people, especially the young, about not marrying too early or having too many children."

Without warning, Zahwa rushed towards her mother. Mrs Arafat picked up her three-year-old daughter, switching back and forth from Arabic to French as the Senegalese nanny looked on.



Suha Arafat: 'It is morally important we declare a state. It will give us a kind of hope in ourselves'

and dwell a little on her life with Yasser Arafat. She admitted it was not easy being the First Lady in a society where women were encouraged to stay in the background.

Arafat inherited her energy and outspokenness from her mother, Raymonda Tawil, a journalist and writer who now divides her time between Paris and Gaza.

Her practical, down-to-earth views may have been inherited from her father, Daoud, a banker who opened branches of Grindley's bank in Jordan and the

sidelines, unsure how to adapt to the intense personal rivalries among Palestinian families and uncertain how to establish her own identity.

her at first. But over the years, she explained, she had become resistant to gossip and backstabbing.

"For how long can you make propaganda? I work here almost every day. The price you pay is jealousy, conspiracies. And you pay youth and beauty. Every day you pay a price."

Yet it has been her husband's dogged revolutionary fervour that catapulted his people into that limelight, to the stage that Palestinians are on the verge of declaring an independent state.

"You know, if you don't recognise yourself, nobody else will recognise you" - something she herself has learned since living in Gaza.

Counterblast

Rumbles as Bill bumbles

Michael Carlson and friends form a small island of resistance to the Bryson charm

A large group of Americans, each with more than a decade's residence in Britain, is gathered to watch the Super Bowl semi-finals.

expatriate Americans in Britain, Bryson is like a prisoner who's been made a trusty because he sucks up to the guards.

without any of the insight which you'd expect a native American to provide. Like his constant harping about lack of irony.

Donna Friedman, buyer at Words Worth, Harvard Square's leading bookstore, says personal selling by independent bookstores made Bryson's book successful.

Bryson once described his reluctance to be the first of his tour party to leave Stonehenge. His feelings were a frothy mix of feeling impolite, being embarrassed not to be as enthralled as his fellow tourists, and having a keen desire to get the full value from his £2.80 admission.

of the pain... writes Clive Cookson... the pain... writes Clive Cookson...

BOOKS

# Where the bland man is king

Patti Waldmeir on how to be black and how to be white in modern America

In an end-of-century America, the territory where race and language converge has never been more dangerous. There are livelihoods to be lost there: ask David Howard, the white ombudsman of the District of Columbia, who resigned last month after using the word "niggardly" on the job. He was lamenting the paucity of his departmental budget, but a linguistically-challenged aide took offence at what he misheard.

In the end, Howard was rehired (in a different job); but most city blacks and many whites still insist he made a grievous error of judgment. More evidence to support that modern American truism: in the land of linguistic correctness, the bland man is king.

Such episodes invite ridicule. But the colour of language is no joke: 30 years after the civil rights revolution, Americans are still left shouting across a transracial abyss, and race remains one of the country's biggest social problems.

These five books, taken together, provide a fascinating sketch of a society which has seen its colour-blind dreams destroyed by politics and prejudice. Some of the books take broad strokes and others provide the detailing; what emerges is a troubling picture. They chronicle the defeat of integration and the rise of a new black social separatism - providing along the way some good advice on how to be white, and how to be black, in modern America.

Bruce A. Jacobs' book, *Race Manners: Navigating the Minefield between Black and White Americans* (Arcade \$22.95, 194pp), provides a battlefield guide for those who wish to dodge the racial shrapnel. Race has taken on, he says, "the toxicity of nerve gas". His book offers a guide to accepted

uses of the "n" word (popular in African-American slang either as a taunt, or a term of self-deprecating affection). His advice: blacks may use it about other blacks, and whites may do so too, but only if they are liberal enough.

The book includes a silly debate over whether or not to capitalise the word "black" ("African American" is preferred) and on whether whites should call themselves "European Americans". But on the whole it offers sane and practical advice on how to avoid giving racial offence - and more unusually, from a black writer like Jacobs, on how to avoid taking it.

It is a heartfelt book, born of the author's frustration at everyday racial slights: the way that, on a crowded bus, white passengers take every seat except the one next to him; the way white women clutch their handbags when he steps into an elevator: the hostility of black women toward his white dates.

Jacobs pleads with whites to stop seeing race as a danger sign: to look beyond colour to judge the demeanour and behaviour of the individual. As a middle-class black professional who dresses the part, Jacobs understandably hates being taken for a mugger. But this is a risky argument which boils down to: look at my class not my race. Jacobs should not suggest that prejudice against ghetto blacks is any more justifiable than any other kind of racism.

Lawrence Mungin, the subject of Paul M. Barrett's book *The Good Black: A True Story of Race in America*, (Dutton \$23.95, 296pp), also counted on class to trump race. The author, a former college roommate, recounts the tragedy of Mungin's efforts to prove he was "like white people". Bused from a poor black area of New York to a white school, he grew up as "a poster child for integration". He attended Harvard for college and law school, scoring the "Harvard-Harvard double" which white employers find irresistible.

Mungin believed that if he played by white rules, the white system would welcome him; that was, after all, the implicit promise of the civil rights revolution. Blacks were told "get educated; your time will come". So he bagged his Harvard-Harvard double and



A successful black woman from another age: 1920s star Josephine Baker. 'America never liked [her]', said Dorothy Dandridge. 'Above all, they resented that she'd left America. What, she was supposed to stay here and become a maid?' From 'LIFE Legends: The Century's Most Unforgettable Faces' (Little, Brown £18.99, 178pp), which targets the great personalities of our era through startling photography.

got a job at a Washington law firm - where he ended up suing his employers for racial discrimination.

*The Good Black* dramatizes the problems of America's large new black middle-class, which has made it into affluent society but still feels thwarted and uncomfortable. Openly racist behaviour is uncommon, but many blacks perceive lingering discrimination. Mungin's claim of racism - which triumphed in a lower court but was reversed on appeal - is a difficult one. He can point to no overtly racist comments or actions, and though he was obviously treated badly by his firm, so were many of his white colleagues. The firm may have been a place of, in Barrett's words, "equal opportunity unhappiness" -

it expected young lawyers to work insanely long hours. Mungin was unwilling to do so and his career suffered irreparable damage.

Lawrence Mungin may have been the victim of callous, but colour-blind, mismanagement; or he may have been discriminated against because of his skin. Either way, he was a pioneer of integration, and his failure to reach that goal is both moving and worrisome.

Where *The Good Black* details a test case in integration, Tamara Jacoby's book, *Someone Else's House: America's Unfinished Struggle for Integration* (Free Press \$30, 614pp), paints the big picture. "Whatever happened to integration?" she asks. What happened to Martin Luther King's dream?

From New York to Detroit to Atlanta, she pursues her tale of how the colour-blind ideal faltered. Her deep resentment against black-on-white racism gives the book a tone of unattractive bitterness. But her insights into the failure of the King dream are compelling.

Harriette Cole's *How To Be: Contemporary Etiquette for African Americans* (Simon & Schuster \$20, 324pp) and Lawrence Olin's *Our Kind of People: Inside America's Black Upper Class* (HarperCollins \$25, 418pp) are two altogether more lightweight books. The former seems curiously similar to white etiquette books of the 1950s, with a dose of nostalgia for African traditions thrown in (when planning a black wedding, the author

counsels, "consider divination to discern the opinions of the ancestors"). *Our Kind of People* is more interesting: it reveals the existence of a separate, upper-class black culture, complete with debaucherous balls, all-black boarding schools, social clubs, and fraternities. But membership is open only to those with the lightest of brown skins and straightest of hair. The brown paper bag and ruler test (skin no darker than the bag, that is, and hair as straight as the ruler) still operates after all these years; what a sad thought.

To order any of these books, and for quotes of UK prices (UK p&p is free) call the FT Bookshop on +44 (0)181 324 5511.

physical force operated in both celestial and terrestrial realms.

Much later, and even more radically from a theologian's point of view, Hubble got out his telescope and realised that space had a history. "From stasis to stasis", the Big Bang destroyed the notion of an eternal, celestial realm, and Wertheim's conclusion, years down the line, is that once the physical world is perceived as infinite, there is literally no space for the spirit.

Which brings her back to Dante, and *The Divine Comedy* as a prototype MUD (Multi-User Domain). MUDs are computer-generated spaces, or virtual combat zones, in which subscribers assume alternative identities. Just as Dante must journey through circles and spheres of spiritual progression, the disembodied player must advance through varying levels of expertise. Her equation of the "wizard" who creates the MUD with "Dante's heavenly elect" is dubious - after all, Dante's is a moral journey that ends with perfection.

Luckily, though, Wertheim is not simple-minded enough to pursue the analogy. She recognises that when we download our minds on to our PCs, we may be entering a realm in which "souls" are freed from "the bloody mess of organic matter", but there is no underlying moral code or sense of communal responsibility. We have re-created a space for out-of-body experiences, and the possibility therein of an eternal resting-place for our cybersouls. But she leaves the question - is this space heaven or hell? - to future cyberhistorians.

# Monica and Margaret: unlikely icons

"Feminism encourages women to leave their husbands, kill their children, practise witchcraft, destroy capitalism and become lesbians".

Question: In what year did a US politician make this statement in public? Answer: (a) 1982 (b) 1992.

Almost unbelievably, the latter is the correct answer. Yet by 1992, feminists seemed to have forgotten, or perhaps did not realise, that such attitudes were not only lurking under the surface, but still on the surface itself, proud and unabashed. In a time when all forms of prejudice are supposed to be unacceptable, it is still apparently quite all right to equate feminists with everything from misanthropy to facial hair (although the actual destruction of capitalism, *pace* the congressman quoted above, was a new one to me).

"Feminism" remains a problematic term, one that has never achieved a neutral, simply descriptive status - like democracy, for instance, or mountaineering. Feminists became somehow embarrassed by the word, and some even took to using the meaningless epithet "post-feminism", as if it were all over, a nasty little episode that had to be endured but could be forgotten about now.

One of the strengths of the book *Feminism for a New Generation* edited by Natasha Walter (Virago £9.99, 186 pages)

- appearing in overtly sexual poses in such magazines as *Esquire* and *Loaded*, as if achievement in any arena other than the sexual is not complete without that. And a climate of political correctness that has doubled back on itself: "if we say we find something offensive, say we don't like Ulrika in shackles, then we don't understand the spirit of the times; we don't get the joke." A joke, presumably, for girls who just want to be one of the boys.



Bold voices: Helen Wilkinson (top) and Katherine Viner

One of the most successful self-made women should have been so hard to embrace as a "sister". But Wilkinson does not take the easy route, and proclaim, as some women did, that Thatcher was actually anti-feminist. On the contrary, Wilkinson, says: the trends and statistics of the Thatcher story for women generally, with women entering higher education, the professions and the work-force in unprecedented numbers.

Wilkinson's, like any issue, has its own version of doctrinal correctness, and feminists can wear blinkers as well as anyone else: a few of the pieces here do stray towards the worthy but dull. These two writers, however, have the courage to think creatively and sometimes to state an unpalatable truth, and lend unusual distinction to this thought-provoking collection.

Zoe Ball and Ulrika Jonsson Catherine Sharp

According to Margaret Wertheim, "the Heavenly City of New Jerusalem was the great promise of early Christianity" that set it apart from other obscure religious sects of the time. Wertheim, an Australian science journalist, states that Christianity's initial appeal must be set in the context of the disintegration of Imperial Rome. The offer of "an eternal haven of radiance

# Absolute heaven

Lilian Pizzichini finds transcendence via bits and bytes



Before we lost sight of the heavens above, and Einstein superseded Dante: stargazing from the Poeticon Astronomicon, 1681

**THE PEARLY GATES OF CYBERSPACE: A History of Space from Dante to the Internet** by Margaret Wertheim (Virago £14.99, 320 pages)

and light" achievable by disciples of the new religion was all the more attractive given the disharmony and chaos reigning on earth.

By the Middle Ages, a dualistic cosmology in which the physical world was enclosed by a spiritual, immaterial space was firmly established. And it was only in this latter space that the soul could operate.

Then comes Wertheim's next segue to our own era - that of Pax Americana and the end of empires - in which, instead of Jesus's final, democratic resting place of bliss, we have the internet. For dedicated Net heads, living in an age devoid of spiritual space, "today's cybertheologians" offer a virtual transcendence via bits and bytes that are electronically configured in a non-physical space. As

such, cyberspace offers a genuine if immaterial world in which people are invited to commune in a non-bodily fashion, just as medieval Christians rose up to "the heavens" after life on earth.

Essentially, Wertheim treats the Net as though it were a liberating force that has broken free from the iron rule of physics. What is most interesting about her thesis is that through her reading of literary and philosophical texts, cyberspace can be seen as the latest expression of the human desire for a spiritual life that takes place within a codified site.

It is no coincidence that cyberspace has attracted a host of new religious sects, and she firmly puts them in their place. But first she has to explain how we lost sight of the heavens above, and how Dante, the "supreme cartographer of Christian soul-space", was superseded by Einstein.

For the purpose of her book, *The Divine Comedy* must be seen as a "journey out of Hell and up the stairway of purgation to Heaven". What interests her most is the spatial arrangement of the ascent. Dante's "soul-space" is organised into hierarchies, with sin acting as the gravitational

force that pulls the soul down towards Hell. As the "virtual Dante" travels through Purgatory, sin is lifted from him until he is light enough to reach Heaven's pearly gates. As Wertheim triumphantly concludes, "The very structure of the space encodes the spiritual transformation being enacted."

It was perspective as employed by Giotto that changed the shape of that space. As a pioneer in "technology of visual representation" his geometric figuring created the illusion of three-dimensional reality. In his work, St Francis is shown moving through

"real" space and is drawn on the same scale as a beggar. To make the illusion more real, Giotto painted shadows into his frescoes that seem to be cast by the actual windows on a church's walls. This interplay of architecture and art and the astonishing realism of his images diffused the boundaries between celestial and terrestrial spaces.

Next in Wertheim's packed account is Galileo with his telescope locating a sun-centred cosmos with no physical boundaries. This is the age, as Henri Lefevre said, when mathematicians appropriated space. Newton's law of gravity asserted that a single

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BOOKS

Does anyone write with joy about, or from, Russia now? What has become of the burst of freedom which was permitted by, then engulfed, the last Soviet regime of Mikhail Gorbachev? The courage and commitment to liberty of the leadership of Boris Yeltsin?

All illusion, it now seems. Change happens - as the religious philosopher Berdyayev noted of the 1917 revolution - not according to its proclaimed purpose, but behind the mask of that purpose. The reality is power re-assembling and where possible strengthening itself. Liberation has nothing to do with it. The fundamental things always apply.

The military has for centuries been one of the fundamental things in Russia, proclaimed as its pride and saviour but usually its curse. The communists injected into it an ideology even stronger than the earlier blend of orthodox and Tsar-worship; in the furnace of Sta-

THE COLLAPSE OF THE SOVIET MILITARY by William Odom

Yale University Press £25, 480 pages

RUSSIA: THE WILD EAST

Granta 64 £7.99, 256 pages

linism and of the "Great Patriotic War", as the second world war was called, Fatherland, Party and Military fused into a whole.

General William Odom has long been one of the US's foremost experts on the Soviet military. He developed the view - a minority one - that the military was the armed wing of the Communist Party, whose leaders shared and deepened the belief that capitalism and imperialism could and should be overthrown. This included the use of nuclear weapons. Former Soviet officers told Odom in interviews conducted after the Soviet collapse that nuclear weapons were thought to be able to "achieve any political or military objective, even the most extreme ones - typically, all calculations were based on the assumption that nuclear weapons would be used".

The Soviet Army, carefully cultivating both the facts and the myths of total victory in the Great Patriotic War, employed the useful dogma of the defeat of imperialism and the useful paranoia about encirclement by imperialism to build up a force which could challenge the Nato alliance. It was served by a military-industrial complex that pre-empted 30 per cent of national resources and had first call on the best technology and scientists.

Gorbachev wrecked all this. As he came to understand the ruined state of the Soviet economy, he became convinced of the need to cut back on the military (he inherited forces of over 5m) and on the dominance of the military-industrial complex. His opening to the west was, initially at least, in order to relieve pressure on an arms race he could only lose. He succeeded, but at the cost of destroying both the military and the Soviet Union.

Odom's book - scholarly, opinion-



'The Defence of Sevastopol', 1942, by Aleksandr Deineka: the military, proclaimed as Russia's pride and saviour, has usually been its curse

A nation puts itself to the sword

Where is the spirit of freedom in Russia? John Lloyd describes a country still bleeding after the collapse of communism

ated and at times exciting - sees the dissolution of the Union as intimately linked to military collapse. The democratic forces released by Gorbachev proved to be a much more effective endorsement of the military than Nato. Scholars, journalists, soldiers' mothers, and even officers accused the military leadership of huge waste, total secrecy before Gorbachev, no one but the General Secretary knew the military budget, and even he incompletely; and allowing a barracks life in which hundreds of soldiers were murdered, tortured and raped by their comrades. The response was angry defensiveness; slow, unwilling reform; self-enrichment on the part of many senior officers; and finally, revolt of a section of the military leadership in August 1991.

In that failed putsch - which Odom describes with skill and knowledge - the military imploded. The defence minister, Marshal Dmitri Yazov, was one of the plotters; though early disillusioned, he went down with them, as did Gorbachev's former military adviser Marshal Sergei Akhromeyev, who committed suicide. Air Marshal Yevgeny Shaposhnikov, who was to become the last leader of the Soviet forces, did oppose the coup from within; others - including generals Pavel Grachev (the first Russian defence minister) and Alexander Lebed (a presidential candidate, now governor of Krasnoyarsk) took this way and that and finally came out against it.

From these ruins, the Russian military was "reconstructed". In fact - this goes beyond the scope of Odom's analysis - it continued its decline. The book clarifies something that was a mystery to those of us working in Moscow at the time - the rout of the rabble which was the Russian army in Chechnya in 1996-6 at the hands of guerrilla forces many times inferior in size and weaponry. The army had been destroyed over the previous decade - starved of funds, drained of able officers, trained conscripts and of any vestige of purpose by the criminalisation of the generals and the connivance of the politicians. Above all, it had lost the Party - a loss which destroyed the Soviet Union and from which Russia has not yet recovered.

Serdyuk, is induced to commit *hari kari* by a Japanese businessman because he sees nothing to live for in his own society, and the *samurai* code provides at least some kind of moral yardstick. The last straw is hearing some girls giggle over the latest appearance of the Russian president on TV - "Pissed again!" Serdyuk thought for a few more seconds. "Ah to hell with the lot of it," he said decisively. "Give me the sword!"

In an essay on the burial of the Romanovs remains last year, Orlando Figgs, one of the most original of western historians on Russia, notes the proliferating nightmare predictions for the collapse of Russia and concludes that "without some truer version of their past... the Russians will never arrive at the destination of a liberal and tolerant democracy". Masha Gessen, a Russian journalist, writes with delicacy of her grandmother, who worked for the KGB as a censor; she poses "the obvious question - where do crimes begin and end and who, decades later, can be held responsible?"

The Australians are famous for straight-talking, and one Valentine's Day offering from Sydney makes a virtue of telling it like it is - beginning with the heart on the cover, kitsch as a sailor's tattoo, and the blunt title. *Screwed: Stories about Love and Sex* (Allen & Unwin £7.99, 214pp) is a collection of 26 stories which read more like front-line dispatches from the gender wars than a timely tribute to the spirit of romance. Sydney's penultimate barricades stretch across varied territory; too the editors - Ruth Hessey and Samantha Trenoweth - invited contributions from filmmakers, songwriters, journalists, actors and artists to put together a series of fictions that celebrate sexual experience of every complexion and complexity.

Some quality as horror stories. Bronwen Phillips's "Hen's Night", a vivid description of Chris Behaving Badly filtered through the weary perceptions of the waiter and waitress, who know what they are in for before the cocktails. Long before the male stripper turns up, "the hens settled themselves at their table, chirping and clucking their talon-like nails, some set with fake jewels, clawing open cigarette packets and fingering lipstick smudges". As the one married "hen" twiddles her diamond rings triumphantly, crowing at the obscenely shaped cake she has ordered for her friend, the waitress thinks of her own brief and brutal marriage, and the two children it left her with.

There is tenderness in this collection, however, and even a glimpse of the spiritual. In the excellent "The Songs of Leonard Cohen", a young girl learns a few of life's lessons through a gradual realisation about the nature of her parents' relationship; "Brother Ryan's Heavenly Gate" paints with a light touch the shrivelled inner life of an orphan boy who took refuge in the church. The language gets coarser in stories like "When Lachlan Strang finally saw Halley's Comet", which shows the sexual and emotional insecurity behind the foul-talking, mono-syllabic Australian male - a revelation that is hardly a surprise, but done deftly enough to tease out our sympathy. This uneven but on the whole enjoyable volume ends with a chunk of "Bridget Jones's Diary" - which seems an unmistakable way of saying that enough is enough.

Pam Houston obviously likes to be thought of as a tough woman, in close touch with the Great Outdoors. Apart from *Cowboys Are My Weakness*, her first volume of stories, she has edited an anthology called *Women on Hunting*, works as a river and hunting guide and lives high up in the mountains of Colorado. It should come as no surprise, then, to find that her heroines are the kind invariably described as "feisty" - and in *Waiting for the Cat* (Virago £9.99, 288pp) Lucy O'Rourke, photographer and runaway spirit, is made in the same mould.

She is adventurous in a way that makes you feel rather tired just to think of it, and samples the exotics of the natural world in a way that would do credit to an Attenborough programme: "Banato said he would take me to the north coast to see the remains of the ancient culture of Agua Blanca, to the Isla de la Plata to see the blue-footed boobies, to the cloud forests near Mindo to see the ant ants by the hundreds of thousands, each one carrying a piece of leaf over its head like a parasol." Despite all this burgeoning nature, however, Lucy declares: "I'll admit I picked Ecuador for its symbolic possibilities." Love, though, presents more difficulties than "watching the biggest spider I'd ever seen in my life systematically devour giant mosquitoes by candlelight". "I always pick the wrong man," Lucy says of herself - "My friend Henry says I can turn anybody into the wrong man." In this, Lucy is all too easy to fathom, and the bungled relationships with mad Eric the inventor, with Carter who was "way too pretty" and with Marcus who was way too perfect, are sometimes a jarringly predictable note in a character who is otherwise endearing.

But in this wandering existence it is the land and not a person which holds out the lure of stability, and on the Rio Grande ranch she inherits from an equally formidable grandmother Lucy can start to lick her emotional wounds. Despite its tough-talking this is a modern American fable, with all the comforting sentimentality of the genre, and all the contingent pleasures.

Julia Sutherland

It was almost 30 years after the end of the second world war before the wartime codebreakers of Bletchley Park were allowed to break their cover and recount what is now recognised as the greatest single British contribution to the Allied victory.

The first to go into the public domain was a Group Captain F.W. Winterbotham, who disclosed the extraordinary achievement of the codebreakers in providing a stream of so-called "Ultra" intelligence, the British cover-name for all high-grade signals intelligence derived from cracking the German Enigma code.

Winterbotham's slim volume of wartime memoirs, which appeared in 1974, came in for some heavy criticism. This was in part because it contained apparent inaccuracies, but also because some of his colleagues felt he should never have gone into print at all.

Third Reich and Holocaust studies are a growth industry. As historian Ian Kershaw recently reflected, there are now over 120,000 works on Hitler alone, with the numbers on the rise. But it is not really surprising the fascination with the Reich is the fascination with evil, but to an extent beyond comprehension. At the one end is a nation with a glorious cultural past, apparently like others in Europe; and at the other is a mountain of ashes, the remains of millions who were murdered by the state created for and by this nation. Yet the line connecting the two seems forever unclear, and what does become clear is totally unacceptable.

The Reich approach

Richard Breitman has effectively taken up the major historical controversies concerning the Reich that have emerged in the last two decades, and forged them into a coherent whole.

OFFICIAL SECRETS: What the Nazis Planned, What the British and Americans knew by Richard Breitman

"Intentionalist" and "functionalist". The former referred to a pyramid state headed by Hitler as an absolute dictator, in which orders went clearly down a chain of command. The second theory suggested the Reich was in fact a loose cohort of power bases, with Hitler as a weak dictator navigating among them, and events occurring as a function of previous ones.

numbers of such documents. And whichever way one reads them, these reports not only reflect upon events in Germany - but also upon the fact that both Britain and the US knew of them. In other words, the governments knew of the Holocaust, as it unfolded. Yet apparently neither did anything about it, though official statements acknowledging the killings were made as early as 1942.

Those who defend the government's stance, and subsequent secrecy, insist it emerged from expediency: the issue was winning the war, not pursuing justice. Those attacking it invoke all moral reasoning, condemning the inaction as acceptance of genocide.

This third historical debate, which emerged in the mid '90s, is possibly best addressed in this book - not least in an excellent epilogue, which is a personal essay on discovering the sources. Or rather, uncovering them, since the authorities of the respective countries have chosen either not to acknowledge their existence, or to barricade the way of those who sought them. But Breitman broke through to produce his fine, contemplative and often painful book. Curiously, by placing himself within it, he offers the reader an easier avenue of approach to the unacceptable world of the Reich.

It was the obsessive and instinctive guardedness of this

Advertisement for 'ca and aret: icons' with a large image of a woman's face and promotional text for FT Bookshop.

ARTS

# Raiders of the lost tapes

Record labels are cashing in on archive material that will create a collector's paradise, says Andrew Clark

**W**hen Michael Fine, vice-president of Deutsche Grammophon, visits La Scala, Milan, next week, he will not be applauding the singers on stage. Instead, he wants to lock himself in a back room, and listen to voices from the past.

Since the war, unknown to the outside world, La Scala has been taping performances which now represent a legendary era. Deutsche Grammophon has bought the rights to sell these recordings commercially. Their importance lies not just in capturing artists like Callas, Corelli and Tebaldi at the height of their powers, but in

century of the gramophone. It's only natural that the music industry should indulge in some fin-de-siècle stock-taking.

Behind the nostalgia lies an unavoidable commercial logic. Until recently, record companies had little incentive to focus on performers of the past - with a few obvious exceptions like Callas. This is no longer the case. What is new is that:

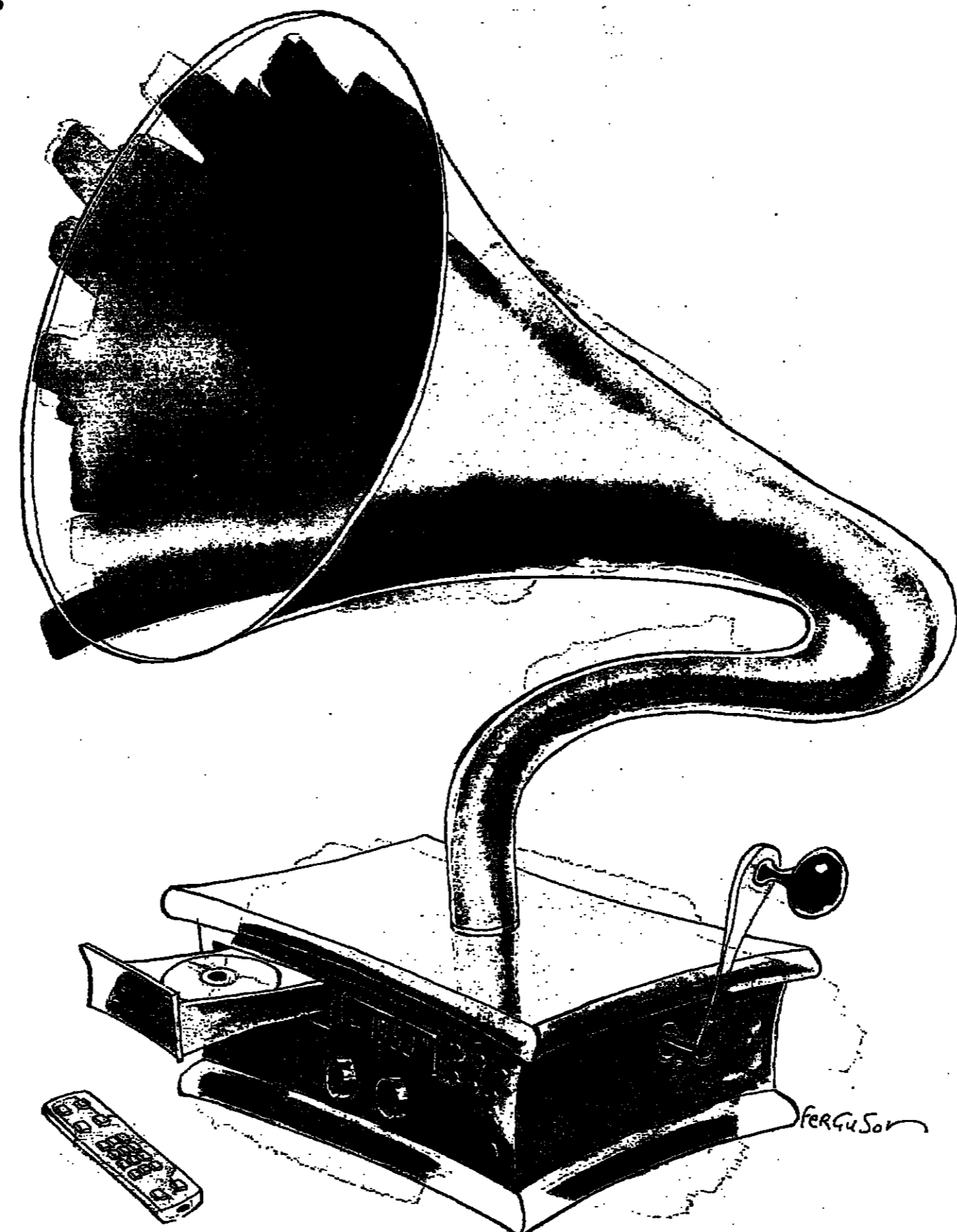
\* Thanks to the saturation of the CD market, dinosaurs of the classical record industry like DG and Sony no longer view new recordings as a long-term investment. Unlike the past, when big-sellers helped to subsidise slow-burners, every new CD now has to pay its way. The market for new recordings is likely to remain stagnant until someone invents another Three Tenors phenomenon or a replacement for CD technology. In the meantime, record companies are trying to unlock the value of their back catalogue.

\* There is mounting recognition that technical improvements in performance and recording over the past 50 years have coincided with a decline in the depth of musical interpretation. Today's performances lack the psycho-emotional force generated by artists of previous generations, who were closer to the world of the great classical composers.

\* Radio stations and music organisations have begun to realise the commercial potential of their archives, which are full of ready-made tapes of legendary performers. Some, like the BBC and New York Philharmonic, have set up their own record labels. This coincides with a shift in the taste of record-buyers towards live recordings, which have more spontaneity and atmosphere than studio performances.

\* The sound quality of material falling out of copyright has become extremely acceptable, as it catches up with the early LP era. With the help of modern technology, small independent labels can shamelessly exploit this, by poaching the established labels' most valuable treasures. Meanwhile, the entry of the budget Naxos label into the "historical" market, using non-copyright broadcast recordings, has excluded a wider public to the style and importance of great interpreters of the past.

Raiding the past, for unpublished tapes or a repackaged back catalogue, has become big busi-



providing a record of unrepeatable events, such as Carlos Kleiber conducting *Otello*.

Fine admits he is salivating at the prospect, and says record collectors are likely to react the same way. The success of the project hinges on the quality of La Scala's tapes and the thorny business of negotiating royalties.

While Fine buries himself in La Scala's past, another DG executive, Christian Gansch, will be scouring European radio stations for tapes featuring Sergiu Celibidache. The great Romanian conductor, who died in 1996, scorned the recording process but gave a series of electrifying concerts with radio orchestras in the 1960s and 1970s. DG believes these provide a more truthful record of Celibidache's art than the CDs recently released by EMI, which capture him in his dotage with the Munich Philharmonic.

If you combine these two projects with DG's 63-CD centenary edition, you could be forgiven for thinking "the yellow label" had overdosed on nostalgia. In fact, most record companies are doing the same. This was, after all, the

ness. In the five years since Philips launched its Duo label, it has sold 10 million CDs. The New York Philharmonic's "historic broadcast" series has notched up 50,000 CDs in a mere 18 months, and its handsomely documented Mahler edition is likely to do even better. To record an opera in the studio today, a record company would expect to invest at least £100,000. If it buys tapes from a radio station or private source, the outlay can be as little as £20,000.

All this has created a collector's paradise. If you are a Karajan fan, you can now listen to his *Tannhäuser*, the one Wagner opera he never recorded commercially. If Barbirolli was your pre-

ferred Mahler conductor, you can thank the BBC for publishing his broadcast performance of the Third Symphony. Some artists always performed better "live" than in the studio - which explains the market for pirate recordings of Knappertsbusch at Bayreuth.

In the scramble for archive material, record companies have unearthed studio recordings by reputable artists which were never published. One such treasure is Clifford Curzon's performances of Mozart piano concertos 26 and 27, to be released next month as part of Philips' "Great Pianists of the 20th Century". If a record company cannot justify the investment needed to clean

up old tapes, it can always let others do so under licence: vintage EMI recordings of Beecham and Kempe have appeared on the Testament label, produced by some of EMI's own staff unencumbered by their employer's overheads.

Even if you fight shy of the pre-stereo era, standards in the 1960s were so good that you are frequently better-off with a cheap reissue than a new CD at full price. DG's latest *Rigoletto*, for example, hardly matches the Decca recording made by Joan Sutherland in her prime, now available at mid-price. And could any studio recording match the frisson of Karajan's live *Bohème* from the Vienna State Opera,

taped by Austrian Radio in 1963 and now issued by BMG? The market has become more sophisticated: people want multiple versions of their favourite repertoire, and emotional truthfulness is overtaking technical perfection in record-buyers' priorities.

Not everyone believes the current flood of historical issues is a good thing. Some critics say it only dilutes sales of the existing catalogue, ruining the market for new releases. Others argue that no matter how legendary the performance, the sound is sometimes so poor as to discourage repeated listening.

There is also some debate about what qualifies as "historic" or "legendary". Many labels try

to bestow classic status on performers which are neither venerable nor rare. In the BBC Legends series, for example, there seems to be no compelling reason for including Constantin Silvestri's studio performance of Tchaikovsky's *Manfred*, especially when another Silvestri recording of the symphony is available. And it's hard to get excited about any new CD featuring Furtwängler or Sviatoslav Richter because you can be sure the material has been issued before.

That raises the problem of authenticating old tapes: in the absence of recording schedules, no one can be certain a "live" performance is what the label says it is. Eight years ago, EMI issued a Beecham *Tristan* from Covent Garden in 1936; it later had to admit that part of the recording came from a 1937 per-

**When we listen to the legends of the past, we are hearing a filtered version of musical life in their day. The also-rans have not survived**

formance with a different conductor. BBC Legends says it is drawing on private collectors' tapes to fill important gaps in the BBC's archives - but how can it be sure the collectors didn't get their notes muddled?

Some sharks, especially the fly-by-night Italian labels, will slap anything on the cover. The market is swimming in recordings of identical performances, often with conflicting information about repertoire, venue and date. That's why the consumer stands to benefit from the involvement of well-established companies. Labels like DG and EMI have the resources to select and clean up the best material, pay for the rights and distribute widely - narrowing the market for "bootleg" performances. They are all too aware that copyright will soon lapse on their golden era: better to make money from it now, and serve it up properly, than give open season to pirate labels.

It's tempting to deduce from all this that we are looking to the past to compensate for an artistically barren present. What we must remember is that there are far more performances today than 40 years ago, and the CD era has vastly expanded the recorded repertoire. When we listen to legends of the past, we are hearing a filtered version of musical life in their day. The also-rans have not survived.

Most record companies admit they were spooked by the CD boom. It led to massive overproduction. The new interest in "historical" issues is helping the industry to consolidate. Who knows whether or not today's stars will graduate into tomorrow's legends? Listening to the latest CDs of Gergiev, Kissin and Terfel, there is more than a grain of hope.

## Reissues calculated to induce nostalgia

**O**f the 400-odd classical CDs released each month, about a quarter are reissues and "historicals". There is so much available that the non-specialist hardly knows where to begin.

The richest archives belong to labels with the longest history. Deutsche Grammophon and EMI, both 100 years old, have been assiduous at cultivating their past. BMG/RCA has yet to make much impact beyond such icons as Toscanini and Heifetz, and Sony has barely started to rouse the giant that its Columbia Records heritage represents.

EMI's "Great Recordings of the Century" is a euphemism for classic recordings of the immediate postwar generation, now at mid-price. It's a useful way of re-acquainting yourself with old favourites such as Barbirolli's Mahler Five and the Schwarzkopf/Szell *Four Last Songs*. Note, however, that Callas and the Furtwängler *Tristan* are excluded: half a century after the recordings were made, EMI is still insisting on full price. Where EMI deserves credit is for resurrecting early postwar recordings by

Karajan and Klemperer. The pick of the Karajan Edition - mostly 1950s Philharmonia recordings - is the Sibelius Fourth Symphony, the bleak majesty of which has never been surpassed on disc. The Klemperer Edition is more variable, but includes his definitive Bruckner Six. DG's mid-price equivalent is "The Originals": using CD covers identical to the old LP sleeves, these are calculated to induce nostalgia for such wonders as Carlos Kleiber's

Beethoven Five and Seven. Wunderlich's *Dichterliebe* and Gilels's Brahms concertos. It's also worth dipping a toe into DG's Centenary Edition and complete Beethoven survey. The former is a decade-by-decade trawl, the latter a decade-by-decade trawl, the latter ones virtually ignoring the great Karajan discography in favour of second-rate recordings by the likes of Levine and Sinopoli.

Karajan is better represented in the Beethoven edition, but even his contribution is overshadowed by the six-CD Volume 20, ranging from Nikisch in 1913 to Fricssay in 1960. Nikisch's Fifth Symphony is of documentary interest, its broody vitality audible through the scratches and swishes.

Furtwängler conducts a massively imposing wartime *Coriolan* overture - he called it "the most concise drama in existence" and interprets it with a characteristically full palette of sound - while Annie Fischer's Third Piano Concerto combines German rigour with Hungarian fire in an intense partnership with Fricssay, bathed in spacious stereo. You don't get better than this.

The first question to ask about Philips' "Great Pianists of the 20th Century" is why Fischer has been left out. My colleague David Murray will take a detailed look at this 200-CD collection in due course, but as it approaches its halfway-mark, a few observations are in order. Who is it aimed at? More than 70 per cent of the performances are already available on CD. There is much duplication of repertoire, but hardly a single Schubert sonata. It's such a huge compilation that, like the Philips Mozart edition, it will presumably create a momentum of its own. Thanks to rare cross-company cooperation, it has a reasonable claim to be comprehensive, ensuring no one can ignore it. But do pianists like André Gavrilov and André Prevín

belong in the same pantheon as Lipatti, Richter, Rubinstein and Edwin Fischer?

Its chief merit seems to be the mid-price two-CD format, and the inclusion of less obvious gems, such as Alexis Weissenberg's 1950 recording of the Scriabin Nocturne for the left hand.

Those are all studio performances. With live recordings, you tend to find treasure next to dross. Take

Barbirolli's stature as a Mahlerian is further enhanced by his 1959 New York account of the First Symphony - ferocious, sylvan-like, *echt-Weissenberg* and tremendously exciting.

The NYPO set, enhanced by New York's bronchial audience, also has a hub-rusting Testament Fifth, a no-nonsense Sixth from Mitropoulos, a Seventh of noble restraint from Kubelick, and a whole CD of reminiscences from musicians who played under Mahler. But you can't buy the 12 CDs individually, and the set carries a premium price (£209/£225 at Tower Records in London and New York respectively).

Final verdict? A postwar New York Mahler edition without Bernstein is like Manhattan without the Statue of Liberty.

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Unlike the studio performances, with the live recordings you tend to find treasure next to dross

Naxos Historical, which uses tapes of old broadcasts, licensed from a Canadian source. *Tristan und Isolde*, conducted by Leinsdorf at the Met in 1943 with Melchior and Traubel in the title roles, is so incandescent that you forget the scratchy sound. The poor quality of transfers rules out most of the others in this series, which for copyright reasons is not on sale in the US.

Unlike Naxos, BMG's set of recordings from the Vienna State Opera at least provides a plot synopsis. These Austrian Radio relays are good enough to make you feel part of the audience. BGM's 1956 *Don Giovanni* has old-fashioned style and a sense of occasion

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ARTS

Familiar by name but not by nature

El Greco stands curiously alone at one of the crucial moments in the history of western art, writes William Packer

Of all the great masters of the 16th century, Domenikos Theotokopoulos, commonly called El Greco, the Greek, is at once as familiar as any great painter, and as obscure and problematical.

Loved or hated, his work is recognised immediately by those who have never known his proper name. Scholars agonise over his putative stigmatisation and a tantalisingly inadequate biography.

He was born in Candia, in Crete, in 1541. He served an apprenticeship there, but with whom is not known. How long he remained there, too, is uncertain - but he was certainly in Venice by 1567, moving on to Rome in 1570.

All the Zeitgeist call it synchronicity, but just as television is obsessed with sex in both fact and fiction, libido rears its head on radio.

These days television is not embarrassed about dealing with the most intimate aspects of sex or the most extreme varieties of belief - whether theistic, superstitious or political.

Mr M. KUENTZ and Miss A. CRUM EWING. The engagement is announced between Michel, elder son of Mrs Yves Kuentz, of Nimes (France), and Anabella, daughter of Mr H.P. Crum Ewing (senior) of Reading, Berkshire.



One of the great masters of the 16th century: 'The expulsion of the moneylenders from the Temple' c. 1587-70, by El Greco

but to lure the ambitious young artist away. It was El Greco's experience of Italy, and of Venice especially, that was to form the mature artist.

ing is still questioned by some for the unexpected sharpness in the definition of the face. But then who would not suppose, within a year of his arrival in a foreign land, that an artist of El Greco's skill and curiosity might not attempt the harder manner that he found there, marked at once by Spanish temperament and Netherlandish influences.

And so, beyond questions of 'identity' of the show's subtitle, it turns us always to those of the painter's 'Transformation', his development. Constant comparison is made, early with late, between images of the boy with his guttering candle.

ideal heads but clearly worked intimately from life, bring us up short. A room full of portraits, mostly male, take the breath away by the immediacy of their humanity, foreshadowing by 200 years the psychological intensity of Goya.

his armour who, in half-presenting his victim to us, half-invites our complicity. It is he, in the quizzical humanity of his presence, who speaks to us directly across the centuries, who brings us down to earth.

Radio/Martin Hoyle

Femmes fatales with musical connections

the schedules go round. Alas, I missed Radio 2's Brief History, Honor Blackman presenting the story of knickers through the ages.

repentance; though when he recalled his handsomeness and scholastic brilliance only to deplore their results, you felt he was having the cake of vanity while eating the humble pie of penitence.

I hasten to add, specialising in esoteric fantasy, but at a court ball. Pompadour was a good singer who even built opera houses (though one seated only 14 people), sang trouser roles (doubtless with the time-honoured purpose of showing her calves), and last performed in public in music by the philosopher Rousseau.

above observation. Note the nice stereotyping use of 'jackboot'. This was Dennis Skinner MP, resorting to the traditional insularity, ignorance and xenophobia of the British working class that he champions so loyally.

purely economic, the unemployment threatened by German bosses closing down Midland-sited factories. But any racist can cite economics as justification.

acquitted of Stephen Lawrence's murder. The jeering truculence, the rancorous tribalism, the resentfulness of outsiders, them, enjoying what is denied us: the tone, if not the language, was chillingly familiar.

Television/Christopher Dunkley Racial affairs



Stephen Lawrence: why has his murder had such a high profile?

"Asian cool" is damaging because anything which comes into fashion will inevitably go out of fashion. But his contribution lasts less than 15 seconds.

is this programme so obviously aimed at Asians? If, as participants in the programme keep on claiming, they are such classic examples of multiculturalism, why is the programme itself a glaring example of monoculturalism?

several others recently - but a fascinating analysis of the social factors which have kept this murder on the front pages when others, very similar, have been ignored and forgotten.

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# Tigers chasing the dragons of success

The Asian miracle is having damaging side-effects, writes Victor Mallet

All this talk of "Asian miracles" and superior "Asian values" at the start of the decade did not just hide the economic weaknesses that were brutally exposed in the financial meltdown of 1997.

The boasts of Asian leaders have also glossed over a social revolution - involving drug abuse and crime, consumerism and one-parent families - that is sweeping through every country in south-east Asia.

The drug problem in Malaysia epitomises the dark side of the region's modernisation. Malaysia's drug addicts are the losers in the country's high-speed industrial revolution, rarely noticed by those who admire its modern shopping malls and electronics factories.

And there are plenty of addicts: officially 180,000 at the last count, with some estimates more than double that figure - alarming in a country with a population of 21m, especially when many of the addicts are so young.

Take Abdul-Asiz Nordin. His mother died when he was nine years old. His father was a local official in the southern Malaysian state of Johor. He was an ordinary teenager who didn't like his stepmother. By the age of 14 he was smoking marijuana. Two years later, when no one could find any marijuana for a few days, he tried heroin.

That first experience, he says, was "very wonderful". But life went downhill from then on. He moved from Johor at the age of

19 to stay with his elder brother, who was working at a bank in Kuala Lumpur. The heroin addiction got worse, in spite of a two-month pause after his father took him to a *bonoh*, a spirit medium.

Within a few years, he had started to break into houses, to finance his drug habit; he committed more crimes and was in and out of jail; eventually his father rejected him. "My life after that was a living hell," he says. "I suffered a lot. I used to pick out food from the garbage. People

**Politicians are involved in the very activity they are supposed to suppress**

used to hit me and spit in my face."

From 1990 he spent two years in a government rehabilitation centre, but he was soon back on the streets. "This time it was really rock bottom, and in early 1993 I was in a coma, and hallucinating for 14 days. They sent me to a general hospital in KL. My lip was swollen, my arm was paralysed.

"I spoke to the doctor. I cried and asked him if I could stay. But no. I went back to the street and I bought two tubes of heroin. I wanted to commit suicide, but I didn't feel anything. That's when

I realised I had to do something about my life."

Nordin was one of the lucky ones. He went to a half-way house funded by Australians and Malaysians and weaned himself off heroin. He worked for an American consultancy firm studying Aids and HIV, the virus that causes it - HIV is common among drug users who share needles - and these days is helping drug users at the Ikhlas drop-in centre. Now 40, he looks well and was relieved to find he did not have HIV. He has been off drugs for more than four years.

Ikhlas, however, is not short of customers from each of Malaysia's main ethnic groups: Malays, Chinese and Indians. The drop-in centre in the Kuala Lumpur district of Chow Kit - a warren of busy streets and lanes lined with concrete shophouses and frequented by gangsters, drug addicts and prostitutes - was set up by a gay charity called Pink Triangle, whose workers used to find homeless addicts living on the streets with maggots crawling out of abscesses on their bodies.

The centre has a simple clinic, showers, a kitchen and dining area and a sleeping room. Upstairs is a similar refuge for prostitutes and transsexuals. It provides the services that the Malaysian government - which frowns on homosexuality and confines drug abusers in its 28 drug rehabilitation centres around the country - does not. Addicts sprawl on mattresses on the floor in the middle of the day.

"Many of them have been away from their homes for 10, 15 or 20 years," says Palaniappan Narayanan, the Ikhlas project manager. "We don't want them to die like dogs on the street - which has happened quite a few times."

Addicts come from all levels of Malaysian society. The bored rich can get their kicks from easily obtainable ecstasy, heroin and now cocaine, while the poor more often than not turn to drugs out of despair after migrating from small country farms or agricultural estates to make their fortunes in the capital.

"Our youngsters have no-one to turn to," says Haji Mohammed Yunus, a former addict who heads the independent Pegasus half-way house, where addicts are treated in a group of buildings next to a motorway in Kuala Lumpur. "Urban values are very materialistic. People go for prestige. Drugs are available."

Neither political nor Islamic leaders are much help. "The youth leaders fail because they are not youths, they are old," says Yunus. "The *ulama* are failing to attract the young. They are always explaining the rigidity of religion. You cannot be rigid. Malays are confused."

Statistics are alarming. A survey of young people between the ages of 13 and 21 by the Youth and Sports Ministry showed that 14 per cent took hard drugs. But other countries in the region have drug problems, too. It has become alarmingly clear that drug abuse is not a purely western phenomenon, and that drug-



taking in Asia is not confined to a few hill-tribesmen peacefully smoking opium pipes for the benefit of tourists.

In Thailand, the health department estimates vaguely that there are 100,000-600,000 heroin and opium addicts in the country. But it is sure of three facts: heroin is widely available and widely used; the average age of drug-abusers has been falling; and heroin is by no means the only dangerous drug on offer.

In 1997, the head of the Thai general education department recommended all schools should conduct regular urine tests on students because of the abuse of

drugs including amphetamines and solvents. Amphetamines are particularly widespread in Thailand, where truck drivers use them to stay awake - a practice which helps to explain the country's exceptionally grim record of road accidents.

According to the United Nations International Drug Control Programme, more than half of Thai truck-drivers take drugs. Thailand is estimated to have 360,000 amphetamine abusers, and had a total drug addict population of 1.27m in 1993.

South-east Asia has the misfortune to be the source of most of the world's opium, the substance

from which heroin is synthesised. "Along trafficking routes there's always some leakage because syndicates pay their couriers in kind," says Vincent McClean, director of the UNDCP's regional centre in Bangkok.

"Traffickers are businessmen and if they can develop a local market as well as an international market, they will." Vietnam's heroin problem is worsening partly because the country has recently become a favoured export route for drug smugglers.

Asian governments are beginning to realise that drug abuse is as much of a threat to their achievements of the past three decades as the much-publicised financial crisis. "Whereas some years ago governments in east Asia regarded drug abuse as a problem affecting western societies," says McClean, "they now perceive it as a threat to the economy and social fabric in their own countries."

South-east Asia's attempts to curb drug use, including the death penalty for trafficking in several countries, are nevertheless undermined by the involvement of corrupt politicians and policemen in the very activity they are supposed to be suppressing. This is a particular weakness in Burma, Thailand, Cambodia, Vietnam and Indonesia.

In one Bangkok school, a policeman's son was said to be re-selling to his fellow pupils drugs that had previously been seized by his father's colleagues.

Vietnam has similar difficulties. "The pushers are in the schools," says one opponent of the Vietnamese government in Hanoi. "It's getting much worse. The ideal for everyone is to become rich, and it doesn't matter how. It's even the police - even the anti-drug police - who sell drugs because they have the power to do so."

*This is an edited extract from The Trouble with Tigers: The Rise and Fall of South-East Asia, published on Monday by HarperCollins, £19.99.*

# Fences torn down in a fight for existence

Michael Peel finds conservationists are moving away from nature reserves and towards community action

On Great Bird Island, a Caribbean idyll about the same size as London's Millennium Dome, lives a troubling symbol of an era of aggressive economic expansion.

The island is home to the last colony of the Antigua Racer, a peculiarly powerless serpent that lacks venom and moves at walking pace. About 80 survive from a population destroyed over the years by western imports such as rats, mongooses and, in recent times, tourists seeking tropical seclusion.

The racer's perilous existence was highlighted this week after a project to save it was named as one of the winning entries in the Whitley Award Scheme for conservation. The Great Bird Island programme, run by British biologist Jenny Daltry, was one of a shortlist of nine ventures competing for a total prize fund of more than £100,000.

The awards, administered by the Royal Geographical Society, did more than bring into focus the plight of some of the world's rarest flora and fauna. The projects, and the people behind them, raised important questions about western approaches to endangered species and the people who live alongside them.

The candidates certainly demonstrated a cultural awareness that reflected the range of nationalities they represented. As they gathered on Monday night in the unexciting surroundings of a Kensington pub, one could have met an Indian expert on medicinal plants, a Brazilian specialist in lion tamarins monkeys and an Italian studying komodo dragons.

Their approach to conservation was well expressed by Lindy Rodwell of South Africa, the winner of the main award, who said her attempts to sustain dwindling crane populations depended on rejecting old notions that species should be protected by creating

sanctuaries. "We are moving away from nature reserve conservation and towards community-based conservation," she said. "Ninety per cent of land is privately owned and all the problems are coming out of the agricultural sector - poisoning, egg collection, hunting and habitat destruction. Putting a fence around 600 hectares is not going to save anything."

She emphasised the need to convince land-owners, the traditional enemies of conservationists, to assist programmes in their localities. That, along with economic incentives for agricultural workers, was essential if endangered species in Africa

were to be saved. Her remarks reflected a general desire among the candidates to be seen as community workers rather than instruments of western patronage.

Nothing aroused greater scorn, said Shaikat Hussain of Project Snow Leopard in Pakistan, than a perception that a scheme was run by and for "animal lovers sitting in New York and Washington".

Hussain aims to set up locally administered insurance collectives to compensate animal owners in the event of a leopard killing their livestock. Without his programme, he said, there would be "zich" going on to help save the world's estimated 3,000 leopards from falling victim to poaching and a shortage of prey. If Hussain's project could be

described as classical, in the sense that its subject readily arouses public sympathy, there were plenty of less glamorous schemes on offer. The shortlist was notable for featuring two projects based on plants, traditionally the Cinderellas of the world of conservation.

The work of Hugh Synge, a Briton who is trying to link the world's tiny band of dedicated florists, exemplifies the increasingly wide scope of conservation work. The philosophy seems to be shifting away from single-animal campaigns and focusing instead on groups of species or entire habitats.

One of the broadest-based projects on the shortlist was run by Harry Andrews, who is trying to rescue vast numbers of endangered species on the Andaman and Nicobar Islands south of Burma.

He is working for greater sustainability by encouraging more discriminate killing of creatures such as sharks, which have been slaughtered in great numbers to satisfy export demand for their fins. "No one in the Andamans really benefited," he said. "It was all middle men from Hong Kong and Thailand."

Andrews's words might have been all but drowned out by the background music, but his sentiment echoed around the room.

If long-term conservation solutions remain elusive, the schemes showcased this week at least indicate how the inevitable might be delayed. The racer, which numbered only 50 four years ago, might have been extinct by now if Daltry had not intervened.

Ultimately, the only hope for the racer, and other rare species like it, might be to adapt to the cynical age that has consumed them. "They are lovely animals to work with because they are not afraid of people," says Daltry. "But after four years they are learning to run away."



The Princess Royal presents the top award to Lindy Rodwell, who rejects notions that species should be protected by creating sanctuaries

Home Truths/Walter Ellis

# Family re-connections

My father died while I was a fledgling correspondent in Germany. He had suffered a heart attack on the afternoon of November 5, and my sister telephoned me from Belfast to warn me his condition was critical and fading. I rushed to the airport outside Bonn and caught an evening flight to Gatwick, about which I remember nothing at all.

Later, as I was driven by taxi to Heathrow for my onward connection, I noticed bonfires everywhere and suddenly realised it was Guy Fawkes Night. The taxi driver, who never stopped talking even after I told him my father was dangerously ill, cheerfully pointed out the most spectacular blazes.

British Airways, alerted to my situation, were good enough to hold up a flight for me and when I arrived at Aldergrove airport, 20 miles outside Belfast, my sister was waiting, her eyes red

with tears. I was too late, she told me. Our father, just 65 years old, had died while I was still in the air from Germany. He had appeared to be on the mend. I should come over again at once, she said; the sister at the hospital had advised her to prepare for the worst.

That was 20 years ago. This time, my sister's phone call was about our mother, aged 82, who had been taken ill while I was home for a family visit but had appeared to be on the mend. I should come over again at once, she said; the sister at the hospital had advised her to prepare for the worst.

The problem was a previously unsuspected stomach ulcer, lodged against an artery, which had burst, causing a catastrophic series of haemorrhages. When

the first of these occurred, most of the family were out and it was my son, Jamie, aged 16, who had been the hero, sustaining his granny.

Belfast City Hospital is a world-class teaching institution, housed in a futuristic tower that dominates the landscape for a mile in all directions. The last time I had seen it close up was in the aftermath of a sectarian murder.

Installed in an intensive care ward, my mother had clearly received the best of attention. There was a lovely nurse from Wexford, she told us, and a young doctor from America. As my wife and I, with Jamie, prepared to return to London for

Christmas, there seemed little doubt she would make a full recovery. The phone call two days later from my sister was thus doubly alarming.

At this time of crisis, everything functioned like a well-oiled machine. Cars rolled between the house and the hospital virtually on an hourly basis, ensuring a steady stream of visitors to my mother's bedside.

As it turned out, she was not dying at all. Far from it. Though she had been taken to death's door, she had steadfastly refused to go through and was now sitting up in bed grumbling about her condition. She had lost mutton tins of blood and endured three painful attempts at an

endoscopy before her doctors were able to get a camera into her stomach and survey the damage.

"When I look out of that window," she said, "I can see the planes flying over the city. And I was just thinking, if one of them came down, the people inside would never have to suffer what I've suffered. It would be all over for them - bang."

Soon she had warmed to her theme. Though the other women in her ward could well have been Republicans or Nationalists, she felt no compunction about making a political analogy.

"Look at the IRA," she said, wagging her finger. "Sitting up there in The Maze or out on

parole for Christmas. If they had to suffer what I've gone through, sure they'd have to think again about their old terrorism."

I knew she was going to make it after all.

Not that my sainted mother is a die-hard Unionist. Her own mother was from Sligo and she remembers as a baby being dandled on the knee of a local IRA man. At a family gathering for her 80th birthday, she shocked everyone when, in the midst of a heated discussion of the merits or otherwise of the UK Unionist Party, she suddenly proclaimed, "Brits out!"

My niece and nephews are devoted to her, as they are to their great aunt. Tales of the two

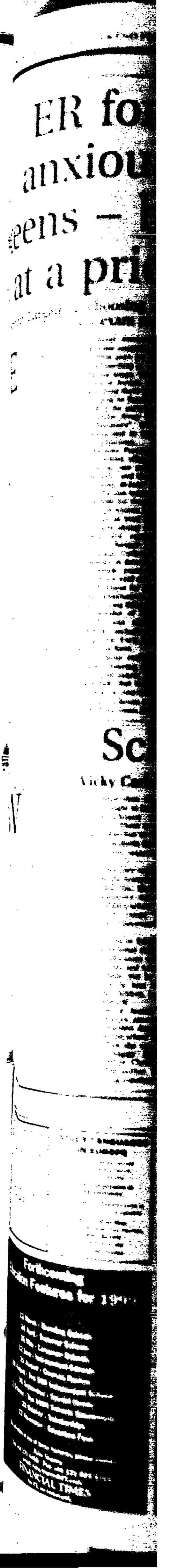
elderly sisters on their shopping expeditions in Hollywood, or further afield to Belfast and Bangor, are central to family folklore.

The pair of them can hold up checkout queues in Tesco for 10 minutes at a time as they sort their purchases and fumble for change. At home, they clean up after each other as though their reputations depended on it.

My wife has seven brothers and sisters, most of them in New York, as well as a grandma of 102 who, from her home in Boston, presides over the family with unswerving panache. The contrast with life in London is stark. Here, though we have many good friends, family is something we mainly see on sitcoms on the television.

While I don't suppose I shall ever go back home to live in Belfast, I still miss the sharing, just as I shall miss my mother when she finally consents to go... 20 years from now.

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EDUCATION

# ER for anxious teens - but at a price

Simon Targett on choosing the right course for better exam results

**E**R may be best-known as the title of a popular TV programme, but it is also the tag for a booming mini-industry in Britain's schools: Easter revision.

Roedean, the girls' school in East Sussex, is the latest big-name private school to launch a series of money-spinning Easter revision courses for anxious teenagers facing GCSE and A-level examinations in the summer.

In a sign of the times, it has struck a merger deal with Harrow, the elite boys' boarding school, and the partnership, in which each will help market the other's services, is expected to raise the prestige of the Easter revision market.

The concept, however, is not the exclusive preserve of fee-paying public schools. The government is putting £18m this year into a series of so-called Easter "booster revision classes". These are aimed at 11-year-olds, who must reach specified performance targets if ministers are to fulfil their manifesto promise to raise basic standards.

The principle, however, may be extended to cover 15-year-olds, now that schools have been set targets for GCSE performance.

But the private sector remains the main provider of Easter revision courses. Roedean and Harrow are set to command the top end of the market: a one-week course in GCSE "double award" science costs £470, while the



Making tracks: the chance of advancing their grades draws students to Easter revision courses at institutions such as Roedean

A-level economics or theatre studies courses cost £225.

This pays for tuition, and also for boarding in halls of residence fit for kings. The late King Hussein of Jordan was a Harrovian, studying there in the 1940s before moving to Sandhurst.

But the partnership faces competition from the big London "crammers", which have long specialised in the art of taking examinations.

Mander Portman Woodward, a day school, offers 40-hour A-level courses: one subject costs £235, two £212, and three £1,273. There are also 20-hour GCSE courses: £316 for one subject, £632 for two, and £950 for three.

If this sounds like a king's ransom, or at least like the price of an all-in skiing adventure, then there are courses that are slightly cheaper.

Clifton College, a boarding academy in Bristol, is laying on a one-week residential A-level course for £440 and a two-subject GCSE course for £415.

An alternative is offered by Justin Craig Education, a specialist provider of Easter revision, which runs courses at nine schools, including The Mount School in York and Tonbridge School in Kent.

A 70-hour residential A-level course, covering up to four subjects and taken over 10 days, costs £690. But there are shorter options: a one-subject course, lasting 17.5 hours and taken over three days, costs £220.

These courses represent only a small segment of the private revision market. The trouble is that there is no regulatory authority for Easter courses, although some colleges belong to federations, such as the Conference for Independent Further Education (CIFE) or the British Accreditation Council for Independent Further and Higher Education.

It therefore prompts the question, how does someone choose the right course? Price is obviously a factor. So, too, is reputation: the heraldic crests of Harrow and Roedean, with their Latin motto, signify a long tradition of teaching excellence.

Beyond that, it is worth asking about the school's specialisms. Mander Portman Woodward runs A-level courses in Latin, Greek and ancient history; Davies Laing & Dick, another London crammer, runs courses in psychology,

statistics and sociology.

Another factor is the syllabus. It is no good enrolling in a history course which is based around the Oxford and Cambridge syllabus if the examination will cover the Associated Examination Board syllabus.

And there is also an issue over class size. Harrow and Roedean promise a "maximum" of 10 pupils for GCSE and seven for A-level. Some schools, however, quote an "average" group size: but an average of five students will be of little relevance if a particular group contains 12 pupils with limited opportunity for individual attention.

Once a choice has been made, it remains only to quell those nagging doubts about whether a revision course is really worth the money. Everyone has to revise, but does it need to cost more than £1,000?

The sales pitch is that professional specialists offer structured revision, in a worry-free environment, during the nerve-jangling weeks before the exams.

Roedean and Harrow are set to command the top end of the market

Marilyn Craig, who organises the Justin Craig Education courses, says that to revise properly, a student needs "somewhere quiet to work - free from telephones, door-bells and family interruptions". This sounds obvious, and it could be considered

hardly worth £500, but it is actually "difficult to find in most households".

More especially, the professionals know the tricks of the exam trade, which means, as Ms Craig notes, that a student can be helped to pick up vital marks "which could shift them from a Fail to a Pass or from a D to a B".

In these high-pressure times, this kind of exam grade uplift can make the difference between getting into a good sixth form, a top-notch university or a high-flying graduate job - or not.

Sixth forms have become increasingly choosy, as headteachers keep one eye on the school's position in the national league tables, which are growing in importance for politicians and parents. It means that schools are looking to recruit pupils with not just As but starred As.

Universities, meanwhile, have

## Schooldays spent in the home

Vicky Carlstrand discovers what prompts parents to take on the education of their own children

"What were you sent to Rugby for?"

"Well, I don't know exactly - nobody ever told me. I suppose because all boys are sent to public school in England."

**W**hen I asked my children why they went to school their reply was not much more illuminating. "To learn things," replied one.

"What things?"

"Stuff. But you forget most of it anyway," was his dismaying conclusion before leaving the table to spend another couple of hours painstakingly sliding along an old washing-line pole on his roller blades.

Beverley Young's children, aged six and 10, don't go to school. Their younger sister Xanthe, two, is not at a nursery. They are among a small minority of children who are educated at home (the precise total is unknown because there are no comprehensive official figures).

By law it is not schooling that is compulsory for a child but "education suitable to his age, ability, and aptitude". There is no obligation on parents to inform the local education authority if a child is never registered in a school, only if a child is withdrawn.

And even then the LEA has very little right to interfere in the parents' chosen method of instruction. There is no set curriculum that has to be followed, nor any standards for equipment or education materials in the home.

LEAs also vary considerably in their attitude towards home education. Malcolm Muckle, whose three daughters were at home until secondary school, says their response can range "from supportive to unnecessarily vindictive".

He is active in Education Otherwise, a national support group for home educators with a mere 2,000 members and 4,000 children between them. But he estimates there could be four times that number of children learning at home in the UK.

The Young family became home educators almost by accident. Their eldest daughter, Cassandra, started school in the September before she was five. She was not happy during the months before Christmas and Beverley, her mother, found herself "worrying constantly".

The next term Cassandra was at home for two weeks with impetigo. Beverley worked with her on her school books and suddenly realised that Cassie had been bored. They were covering far more ground at home and were settling into a more comfortable rhythm.

The Youngs decided to remove their daughter from that school and look for another one. By the summer no school had been found but a lot of information on home education had. Almost with horror they realised they were home educators and Beverley describes herself as "barricaded" by the decision. Now, some years down the road, she has no regrets.

At the beginning she had plans of a structured day, of set times and subjects around the kitchen timetable. She soon found this "was not a good way to go for us - what is the use of arguing over something for 20 minutes and then doing it badly?". She now lets Cassie lead the way.

Her son Alex is allowed to lead the way too. One day, at the age of five, he decided he would learn

to read. He pulled down a Peter and Jane reader and, with his parents' help, worked his way through the whole series, one page a day.

"He was so structured about it," says Young in admiration. Xanthe will be allowed to follow

Links with other home educators are vital - for parents and children

her chosen route to reading when the time comes.

Terril Dowty has her two boys, aged six and nearly 10, at home as well. Like Young's children they are allowed to pursue whatever interests them for as long as they choose so their education "never starts and it never stops".

As in the case of the Young family, the decision to keep the boys at home evolved. Their

eldest child started at a local Steiner school, a system famous for its liberal policies, when he was four. All seemed well until his younger brother joined him there three years later and never settled in.

The Dowtys felt their children's individual needs were becoming subservient to the school's system and decided to keep them both at home.

Terril Dowty enjoys being able to work with them on tasks at their own pace. And, echoing my son, unlike schoolchildren, she says, they don't forget what they learn.

Both families acknowledge that links with other home educators are vital. These provide important social contacts for the children, and a network of help and support for the parents. Field trips can be organised in groups, just as at school, or interesting people can come to give talks to the children.

At home, the computer is obviously an important tool. The Dowtys are about to invest in a new, top-range model to help their children. Terril describes

how her older boy used the internet to access sites in Antarctica when he became fascinated about that part of the world last year.

Does it require endless sacrifice and patience? Beverley Young laughed heartily when I suggested she was completely calm. "I wish I was," came the reply.

The give-and-take network of other home educators nearby is very important to families such as the Youngs and the Dowtys. Terril Dowty might need to call on a friend if she is suddenly given extra work. She will reciprocate when necessary.

Beverley Young admits that home education is not for everyone. She also points out that people choose to opt out of school for many reasons. It may be a result of their children being bullied. It may be that the child is specially gifted, or even that the parents feel schools are not sufficiently structured.

Neither family has ruled out sending their children to a school in the future but both are adamant it will always be the children's choice. In fact, many chil-

dren who have been educated at home approach school eagerly at the secondary stage just as those who have been through the normal school system decide it is dull and boring. Malcolm Muckle's three daughters all started voluntarily at secondary school, secure in the knowledge that they could leave.

My children were fascinated by the whole idea of not going to school and Hannah, also 10, held a brief e-mail conversation with Cassie on the subject. Her questions centred on the social aspects of staying at home - such as friendships and arguments with siblings.

When my children reached school age, I spent a lot of time worrying about which school but never once questioned whether they should be sent at all. I asked them if they would have preferred to stay at home and they looked at me wistfully.

"Mum, you could never do it," they exclaimed, almost in unison.

No, I am sure they are right, I never could. But if I had let them get on with it by themselves then I am sure they could have - easily.

Education Otherwise's web site can be found with other sites about education on [www.educate.co.uk](http://www.educate.co.uk) or contact the Home Education Advisory Service on 01707-371854

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# How to Spend It



Clockwise from left:

- Candy pink cashmere jumper, £285; beige suede skirt, £395, both by Lucien Pellat-Finet; lilac kid leather sandals with diamante buckles, £325, by Gina Couture, 9 Old Bond Street, London W1; tel 0171-409 7090.
- Navy cashmere dress, £420, by Lucien Pellat-Finet; Tahitian pearl drop earrings on 18ct gold, £848, by Coleman Douglas Pearis, stockists: 0171-373 3369.
- White cashmere and lurex swimsuit, £445; blue cashmere bag, £145, both by Lucien Pellat-Finet; dove grey silk sandals with diamante buckles, £325 by Gina Couture, as before; sunglasses by Web, from a selection at Harrods, Knightsbridge, SW3, tel 0171-730 1234.

Lucien Pellat-Finet is available in London (see below) and also:

- In Paris from February 15 at 1 rue Montalembert, Paris 75007, (tel 33 1 42 22 22 27).
- In New York at 226 Elizabeth Street, NY 10012 (tel 001 212 343 7033).

Photographer: Han Lee de Boer  
 Stylist: Edwina Inge-Chambers  
 Hair and Make-Up: Rae Denman  
 Model: Kirsten at Maverick

Shot on location at One Aldwych, London WC2 (tel 0171-300 1000). Weekend breaks start from £220.



## Send a bunch of smackeros

Holly Finn knows where to buy flowers - for tomorrow and every day

Just a minute. Nobody's blaming you. It's been a busy week, what with the sun rising and setting, gravity pulling you down all the time, work, family, having to breathe non-stop. No worry. There is still time to smell as sweet to your love. Flowers are the first and last resort for Valentines. Though sent every day the world over, they are one of the few things in life that never lose the ability to surprise. A well-chosen bunch - gathered and given with intent, bright and bursting - is like a big fat smackeroo when you're expecting a peck on the cheek. Good flowers are effusive, the anti-peck. But they must be good.

Sent to a woman or a man (who ever said the impact of blooms was oestrogen-specific?) near or far, flowers should be stealthily and spectacular, ringing more bells than just the bell on the door. They die so soon after cutting, they deserve to live their last grandly, to great effect.

Calling a delivery service is an option, but often that's missing the point. Particularly now that our lives are so far-flung, it's good to know a florist you can rely on, wherever you or your love find yourselves, to deliver precisely what you ask, what you imagine.

Below, our pick of the bunch. Call them today, or next Thursday, or two Tuesdays from now, or any day. Because sometimes, only a smackeroo will do.

**LONDON**  
 Kenneth Turner Ltd, 125 Mount Street, W1 (T: 0171-355 3860, F: 0171-495 1607). Prices start from £25 plus delivery. Best known for flamboyant bouquets and arrangements, which can include fruits and vegetables.  
 Paula Pryke, 20 Penton Street, N1 (T: 0171-837 7336, F: 0171-837 6756). Bouquets start at £30 plus delivery. Colourful, modern arrangements with a hand-picked look.  
 Woodhams, One Aldwych, WC2, (T: 0171-300 0777; F: 0171-300 0778). Bouquets start at £30 plus delivery. Specialist in minimalist shapes, with domes and lines of roses a trademark. Can deliver internationally.  
 Pullbrook and Gould, 127 Stone Street, SW1, (T: 0171-730 0030, F: 0171-730 0722). Bouquets start from £30. £30-£35 for hand-tied posies. £40+ for arrangements. Very loose and natural, nothing too structured.

**EDINBURGH**  
 Flowers by Maxwell, 325 Castle Street, Edinburgh EH2 3HT (T: 0131-226 2868, No fax). Bouquets start at £25. Established 30 years ago today. Best known for traditional country house looks.

**NEW YORK**  
 Plaza Florist, 844 Lexington Avenue, NY 10021, (T: 001 212 472 7565, F: 001 212 772 7536). Minimum order \$50. French country style, dense and colourful.  
 James Corcoran Flowers, 1026 Lexington Avenue, NY 10021, (T: 001 212 717 5780, no fax). Bouquets start at \$75. Small and special arrangements in unusual containers such as metal reusitas shell or horn cups.

**SAN FRANCISCO**  
 Bloomers, 2975 Washington Street, San Francisco 94115, (T: 001 415 563 3266, F: 001 415 563 3266). Bouquets start at \$45. English/French country style, mostly in clear glass vases. Classical, tasteful and understated.

**LOS ANGELES**  
 Mark's Garden, 13638 Ventura Boulevard, Sherman Oaks, California 91423, (T: 001 818 906 1718, F: 001 818 366 2693). Bouquets start at \$50. Natural, loose, English garden style.

**PARIS**  
 Marianne Robic, 41 rue de Bourgogne, Paris 75007 (T: 33 01 44 18 03 47, F: 33 01 45 55 29 98). Bouquets start at FF45. Unusual elements put together to create a strong statement. This chic, Ryu Kubota, 40 Blvd Raspail, Paris 75007, (T: 33 01 45 48 00 98, F: 33 01 45 48 02 69). Bouquets start at FF100. Contemporary Japanese. Brightly coloured orchids combined with modern French elements.

**FRANKFURT**  
 Goethe Blumen, Kleine Hochstrasse 7, 60313 Frankfurt, (T: 49 69 231890, F: 49 69 1310654). Bouquets start at DM60. Known for elegant and natural arrangements.  
 Blumen Beuchert, Rathausplatz 2, 60313 Frankfurt, (T: 49 69 252969, F: 49 69 290781). Bouquets start at DM70. Specialist in unusual colour combinations.

**MILAN**  
 Carbochini, via Marconi, 12, 20133 Milano (T: 39 02 738 4937). Bouquets start at L40,000. Formal, simple and sculptural presentations.  
 Lami Fiori, Piazza San Marco, 6, (ang. Via Farnabenebralle), 20121 Milano (T: 39 02 86 46 4602, F: 39 02 72 02 33 65). Bouquets start at L40,000. Rustic, loose, hand-picked style.

**HONG KONG**  
 Joyce Flowers, Alexandra House, Central, (T: 852 25 37 53 72). High style, high prices.  
**SINGAPORE**  
 Flore Dorato, House of Flowers, 9 Raffles Place, Republic Plaza #01-14, Singapore 048618, (T: 65 536 7227, F: 65 536 7227). Bouquets start at \$100. European traditional arrangements. All flowers flown in daily from the Netherlands.

**MELBOURNE**  
 The Big Bunch, 578 High Street, Prahran 3181 (T: 61 03 9510 7533, F: 61 03 9510 7511). Posy boxes start at AUD90. Specialist in in-season flowers, often from the hills nearby.  
 Leigh Clarke at Kevin O'Neill, 119 Toorak Road, South Yarra 3141, (T: 61 03 9866 5776, F: 61 03 9867 3444). Minimum order \$375. English looks with bold use of colour. Native Australian and tropical flowers also feature.

**SYDNEY**  
 Tracey Deep Florist, 223 Sutherland Avenue, Paddington (T: 61 02 9326 7321, F: 61 02 9326 1831). Bouquets start at A\$50. Unusual flowers, contemporary presentation. Arrangements are sculptural, using pods to create texture, for instance.  
 Grandiflora, 1/12 Macleay Street, Potts Point, (T: 61 02 9357 7902, F: 61 02 9357 7964). Bouquets start at A\$40. Refined, garden-picked look, incorporating pods and fruit on branches.

Research: Edwina Inge-Chambers  
 Flowers: courtesy of Kenneth Turner Ltd.  
 Photography: Dean Selcher

## Gourmet or gastronome

Lucien Pellat-Finet has a menu for clothes buyers of either taste, says Vanessa Friedman

The world is split into two camps of clothes buyer: those who like department stores and those who like boutiques. The former are fashion gastronomes, people who have studied their subject and know down to label and shade, what they want. Their priorities are choice and efficiency and they relish the convenience of mega-stores and food halls. The latter are fashion gourmets, people who believe in the importance of first-hand experience, for whom the process is as important as the purchase. They pledge allegiance to independent bookstores, fromagers, and the Bobby Baker axiom "Shopping is the perfect model for the Quest".

Which ever category you fall into, there is always a compromise. Department stores offer selection and convenience, but tend to be dizzying in their bustle and size, not to mention *laissez faire* in their help. Boutiques, on the other hand, promise quiet and personal attention (sometimes too personal), but their specificity means tax-ing all over town to put together an outfit.

Perhaps most important:

in a department store, the collections displayed have been ruthlessly weeded out by the time they reach the rails: in a boutique, the whole dandelion-filled field is on show. The choice is between dressing yourself and being dressed. A case in point is Lucien Pellat-Finet. The "king of cashmere" whose signature unribbed sweaters are favoured by Tom Cruise, Madonna, Brad Pitt and Charlotte, Princess Caroline's daughter, is opening his first London boutique this month. Although his wares aren't new to the capital - he's been sold here since he launched his line four years ago - the range of the collection is a revelation. You can find Pellat-Finet at Harvey Nichols, Browns, Mimi and The Cross, but you can find only a fraction of the 34-style spectrum he creates.

"A collection is like a menu: you have some appetisers, some entrées, and dessert," says Pellat-Finet, a crew-cut 54-year-old with a peripatetic past (he was a publicist, Pierre Cardin's house model, and styled shows and shoots for Kenzo and Jil Sander). He has a highly developed aesthetic sense, and a Frenchman's fondness for metaphor.

"A buyer might only want the appetiser or a dessert,

though, and London buyers in particular are very conservative. They like bread and butter."

The type of loaf they buy is determined by a very specific customer profile. Browns caters to the Soho-based media style set. According to owner Joan Burstein, these women "think about fashion, understand fabric and can assess a

All the shops mentioned, for example, felt that Pellat-Finet's cannibal leaf sweaters of last season (traditional from the front, adorned with a leaf on the back) were not right for their customers. Likewise, this season's cashmere bandeau bikini and one-piece after-swim lounge suit were considered too much, and luxurious 12-ply cardigans were deemed too expensive (*tant pis* for the starlets and glamour pussies among us).

As for cashmere dresses and cashmere trousers, forget it. "We concentrate on the beautiful basics," says Harvey Nichols' April Glassborow - "the round-necked cardigan and V-necked Tee". For the customer who wanted a less basic choice, it was the Eurostar or bust.

"The thing is," says Pellat-Finet, "the stores buy for one woman. But I design for many. I got frustrated." This is where his shop comes in. Tucked down a side-street off Brompton Cross, it is like a colourful walk-in wardrobe, from the floor-to-ceiling mirror at the foot of the shop to the clementines orange and citrus green

panels on the walls (panels which will change colour according to the palette of the seasonal collection), from the cashmere swatch of a curtain that shields the dressing room to the rainbow of knitwear hanging from the custom-made rails.

If there is a personality reflected by the space, it is that of Pellat-Finet himself. The almost edible colours reflect the designer's sense that "cities are dusty and grey, and clothes should be fresh and joyful; they should take you away".

That the sweaters are hung, rather than stacked, and thus temptingly browsable (no fear of unfolding and then refolding) has to do with Pellat-Finet's obsession with comfort - the reason he was attracted to cashmere in the first place - as do the soft curves of the custom-made sofa. Even the shop's small size and off-the-beaten-track location communicate Pellat-Finet's love of searching out the hidden, and the individual, whether it's the old Hermes bags he collects at flea markets or the factory in southern France which weaves cashmere the old-fashioned way.

Here there are cashmeres for women and cashmeres for men and cashmeres for children, cashmere throws and cashmere handbags and

cashmere hats; hand-knit 12-ply cashmere and machine-woven 2-ply. There are the 34 different styles, offered in 19 colours from natural to "Titania" (steel blue), from "Parma" (lilac) to "Medoc" (wine red), as well as numerous patterns (stripes, camouflage, squares) and prices (£78-£1,500). There are cashmere "jackets", coloured cardigans with only a single hook and eye close at the breast and an edge scalloped in contrasting trim, and simple A-line skirts. And if a customer wants a cashmere that isn't in the shop, there is a special order service.

For the fashion gourmet, this is the equivalent of stumbling across a field of truffles. It's an opportunity to root around until you find the perfect addition to your wardrobe.

Whatever your shopping taste, whether you like your Pellat-Finet *à la carte* or on a set menu, now the option is here. In the moveable style feast of London, this is a delicious development.

■ **Lucien Pellat-Finet, 9 Pond Place, SW3 (0171-495 0482); Browns, 23-27 South Molton Street, W1 (0171-491 7833); The Cross, 141 Portland Road, W11 (0171-727 6760); Mimi, 309 Kings Road, SW3 (0171-349 9699); Harvey Nichols, 109-125 Knightsbridge, SW1 (0171-235 5000).**

150 من الاصل

# How to Spend It

**W**hat's more personal than your inside leg measurement? It's not something you should trust to just anyone. But what do you do if it craves professional attention, if you hanker for a £2,000-plus Savile Row suit but lack the budget - or the gall - to pay the price?

An ill-fitting option is not the only one. A new breed of tailoring service is flexible, mobile, sometimes computerised, always attentive - and needn't cost an arm and a leg.

The advantages of having a suit made-to-measure have never been in doubt. An expert tailor can flatter any form - whether it's dictated by pub or gym. But the expense, and the funeral air of some tailoring shops, can make bespoke tailoring seem out of reach, an anachronism.

Hugh Holland, managing director of Savile Row tailors Kilgour French Stanbury, is well aware of the need to attract a new generation. His traditional customer is 50 or older, a man who wants something that makes a strong statement, "even if the body is showing signs of frailty." A two-piece suit that takes three or four fittings and 100 hours of hand-tailoring costs from £2,300. Younger people, who are in good shape and move fast, cannot imagine waiting so long or paying so much.

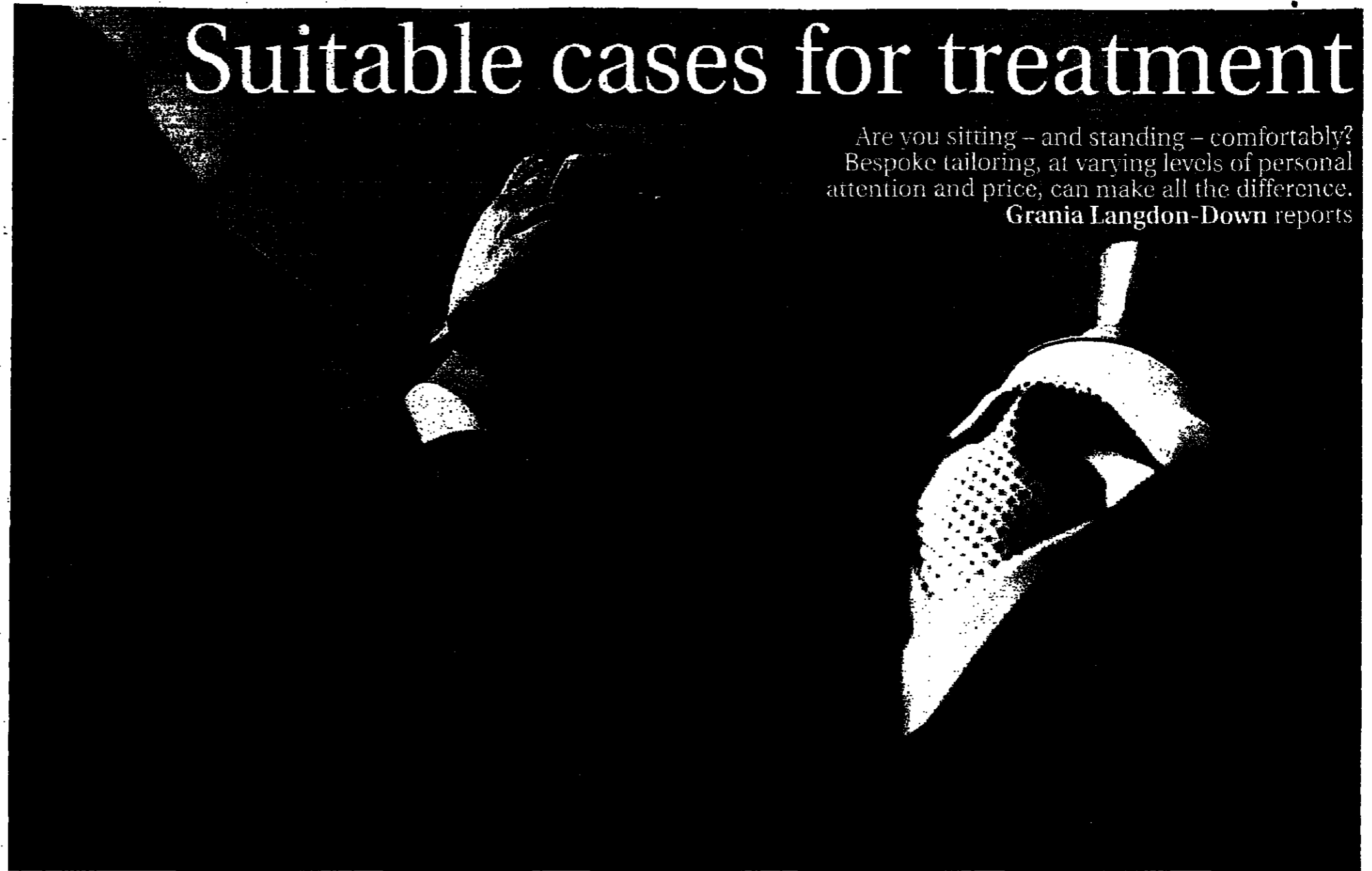
Two years ago, Kilgour launched a new service called "Special Make", which mixes old and new. Customers are measured in Savile Row. The suits are made in Shanghai. The service is a sprat to catch a mackerel, admits Holland, but at £890 for a two-piece suit, it is proving a viable business in its own right. "We hope that by making bespoke clothes more affordable and enabling someone to experience real fit, quality and choice, they will trade up to something made in Savile Row."

From the West End to the East End, Timothy Everest in Spitalfields is one of the new breed of tailors. With clients ranging from Gordon Brown, the Chancellor of the Exchequer, to actor Tom Cruise and pop star Justin Timberlake, he offers two levels of bespoke tailoring. Fully hand-sewn service starts at £1,000 for a suit. City Line service, for just under £700, offers suits that are still cut individually and fitted, but with some machine stitching.

The aim remains subtle. As Everest says: "The suit should not be more important than the man." With a background in Savile Row and retailing, Everest began his own tailoring business in an 18th century house in Spitalfields in 1990. "The problem I had was that tailoring was perceived as old-fashioned, long-winded, expensive and boring. I had to make it a serious alternative to designer labels, to make people see they were choosing something individual rather than buying into someone else's lifestyle."

Forty per cent of his clients work in the City. Most are 35 to 40, the youngest just 22. (In Japan, his clients are in their early 20s, the only age group spending money these days given the country's economic crisis.) Everest will measure customers in their offices, but he is keen they visit Spitalfields at least once to see how a suit is crafted. "It should be fun to spend money," he insists.

In the tradition of Savile



## Suitable cases for treatment

Are you sitting - and standing - comfortably? Bespoke tailoring, at varying levels of personal attention and price, can make all the difference. Grania Langdon-Down reports

Clockwise from above: George Cazenove, founder of Bertie Wooster, in his Fulham Road shop; Timothy Everest measures up; Selection of second-hand top hats and vintage luggage from Bertie Wooster

Row tailors. Everest travels regularly to Los Angeles, New York, Paris and Tokyo, where he bases himself in a fashion house or a hotel. Suits are measured on site, then made up in London, with fittings in between. Foreign sales now account for nearly 20 per cent of turnover.

Closer to home, George Cazenove, scion of the stock-broking family and cousin of



actor Christopher Cazenove, runs Bertie Wooster. Once a City suit himself, pulling in a six-figure salary as a trader, he launched the company in 1990 selling second hand Savile Row-tailored suits and formal wear. In 1994 he started a made-to-measure service, at his three shops and via a 'mobile' tailor who visits homes or offices.

A two-piece suit starts at £350, with one fitting and a "tweak" on completion. "Everybody aspires to a Savile Row suit but that costs from £2,000. It will be a better suit but not £1,650 better," Cazenove maintains.

Bertie Wooster's suiting service is one tier down from hand-made - stock patterns are altered to fit the individual and much of it is machine-stitched - but the attention is still personal. "Trying on a new suit for the first time is a private matter," says Cazenove; "you don't want other people eyeing you up and down."

Customers include actor Daniel Day Lewis, rock musician Roger Taylor and Jack Straw, the Home Secretary. Bertie Wooster makes about 1,500 suits a year and, says Cazenove: "The made-to-measure market is growing all the time. Even your barrow boy market trader now wants to be like a blue-blooded stock broker because he realises that a designer label can cost twice as much and no longer looks the part."

To look the part, another option is the personal tailoring services of some luxury men's shops. At Aquascutum, a selection of outfits is available for trying on in the shop. Matching patterns are on computer at the factory, where they can be digitally altered to meet individual requirements. Customers choose from 1,600 fabrics and add individual touches, such as a brightly coloured lining, an outside ticket pocket, even their own label. The cost ranges from £495 to £1,200, depending on the quality of the fabric.

Richard Wainwright, Aquascutum's personal tailoring co-ordinator, says the service appeals to busy profes-

sionals, such as Newsnight presenter Jeremy Paxman, who wanted something with "a little bit more edge - classic tailoring with a twist to it, perhaps in the colour or the pattern". While plain navy and grey remain favourites, a growing number of customers is choosing window-pane checks in purple, electric blue



or burgundy or pinstripes with the stripes in blue or green.

Four months ago, Aquascutum also started offering a hand-made service at the Regent Street store, which costs between £700 and £1,600. As Wainwright realises: "The majority of people will fit an off-the-peg suit, with adjustments, but having a suit made is some-

thing people now aspire to in their 20s and early 30s rather than their 40s or 50s." Austin Reed is another,

increasingly busy, fulfiller of aspirations. Its sales of made-to-measure suits have grown by 23 per cent over the past

six years, with a suit costing from £375 to just over £600. "The suits are constructed rather than hand-cut and tailored," explains tailoring manager Brian Routen, "but the customer adds his five pennies worth in the styling and detail."

Someone who has put far more than his five pennies worth into the new era of bespoke tailoring is the exuberant designer Oswald Boateng. Boateng's fusion of design and classic tailoring - "bespoke couture" - has attracted a client base that reads like a who's who of Cool Britannia and still includes traditional bespoke customers from the worlds of law and finance.

Customers wanting one of his handmade suits, which start at £1,600 (compared with about £750 for one of his ready-to-wear suits), step out for a consultation at Boateng's Vigo Street shop, on the corner of Savile Row. Fittings are done at his "couture house" in Wimpole Street; the suits are made in the basement.

"Armani took the structure out of the suit. I have put the structure back in a way which is very flattering and very comfortable," says Boateng.

Dressed in yellow pinstripes on a muted purple tweed with an orange polo neck, Boateng is the perfect mascot for the new breed. Vibrant, not fussy, he still shares with his predecessors the conviction that bespoke is the best. As Hugh Holland puts it: "The finest ready-to-wear is a pale shadow of good bespoke clothing."

### Stand and be delivered

Still wondering whether it's worth the time, trouble, and money to dress on the bright, not pale, side? Well, check the depth of your pocket...

● Kilgour French Stanbury, 8 Savile Row, London W1X 1AF; tel: 0171-734 6905. Special Make from £890, five weeks to complete.

● Timothy Everest, 32 Elder Street, London E1 6BT; tel: 0171-377 5770. Full bespoke service from £1,000, six to eight weeks; City Line from about £700, six to eight weeks.

● Bertie Wooster, 284 Fulham Road, London SW10 9EW; tel: 0171-352 5662. 659 Fulham Road, London SW6 5PY; tel: 0171-371 0528. 69 Moorgate, London EC2R 6BH, (until June); No 2 London Wall, London EC2M 5JU (from April). Mobile service 0171-731 5772. From £350, six weeks.

● Aquascutum - tel: 0171-675 9200 for nearest personal tailor. From £495, five weeks. Hand-tailored service: 100 Regent Street, London W1A 2AQ; tel: 0171-675 9200. From £700, six to eight weeks.

● Austin Reed: tel: freephone 0800-585 479. From £375, six weeks. ● Oswald Boateng, 9 Vigo Street, London W1X 1AL; tel: 0171-734 6888

## Calm over troubled waters

Hydric captors bring order to the task of rehydrating your skin, finds Holly Finn

**Y**ou've got to be organised these days, not just on the surface, but in the epidermis. So says Guerlain, the cosmetics company.

The worldwide launch on March 8 of its newly formulated and expanded Issima line of skincare products - which, replacing Les Gestes Pureté and Odélyes, will become its primary line - is founded on what Guerlain calls "one of the most important breakthroughs since the moisturiser". It's been named H-Captine.

In a nutshell (which is precisely the look you'd like to avoid), there is water, water everywhere but it tends to be disorderly. Really to hydrate the skin, what is needed is controlled, orderly water - water that is literally kept in line by things called hydric captors. They prevent drying and ageing.

To combat the natural depletion of these captors over time, Guerlain Labora-

tories created, and in 1997 patented, H-Captine. This complex triggers the synthesis of captors and so maintains the skin's supply not of just any old H<sub>2</sub>O molecules, but of Vital Moisture (as the company calls it).

And you thought the only water choice you had to make was still or gazeuse.

Fighting words, hydric captors. They are actually polysaccharides, many-sugared molecules. At once highly viscous and very rigid, they can hold many times their own volume of water. Useful as a lubricant, they have been applied in the treatment of joints, eyes and other parts, including the skin. But they have not yet been absorbed mainstream.

Guerlain's Issima range (Issima is Italian for "more") will soon include 23 products and looks to be the first line to mobilise captors in the fight against free radicals (the latter break captors'

sugar bonds, more frequently as you age, ruining everything). Two products in particular, Hydramythic Replenishing Hydrating Fluid with SPF 15 (30ml pump, £39.50) and Hydramythic Replenishing Hydrating Creme with SPF 10 (50 ml jar, £38), are oozing with helpful H-Captine.

After lab tests, Guerlain reported that a concentration of 1 per cent H-Captine applied to the skin increased the number of hydric captors by 55 per cent, a 5 per cent concentration by 92, and a 10 per cent concentration by 113. If you believe in sugar bonds, these are heartening (and moistening) numbers.

If, on the other hand, you want your skincare deep, but your reasons for buying it shallow, you may just be taken by Issima's new look and smell. Some of the bottles and tubes are powder-blue and made of travel-friendly plastic, others midnight-blue in glass with gold

trim. All are fully functional: if a tube is meant to stand on end, it will do so without toppling. As Roja Dove, spokesman for Guerlain, says: "There's nothing more annoying than a tube that falls over." Well, maybe global warming, but this is about the cosmetic.

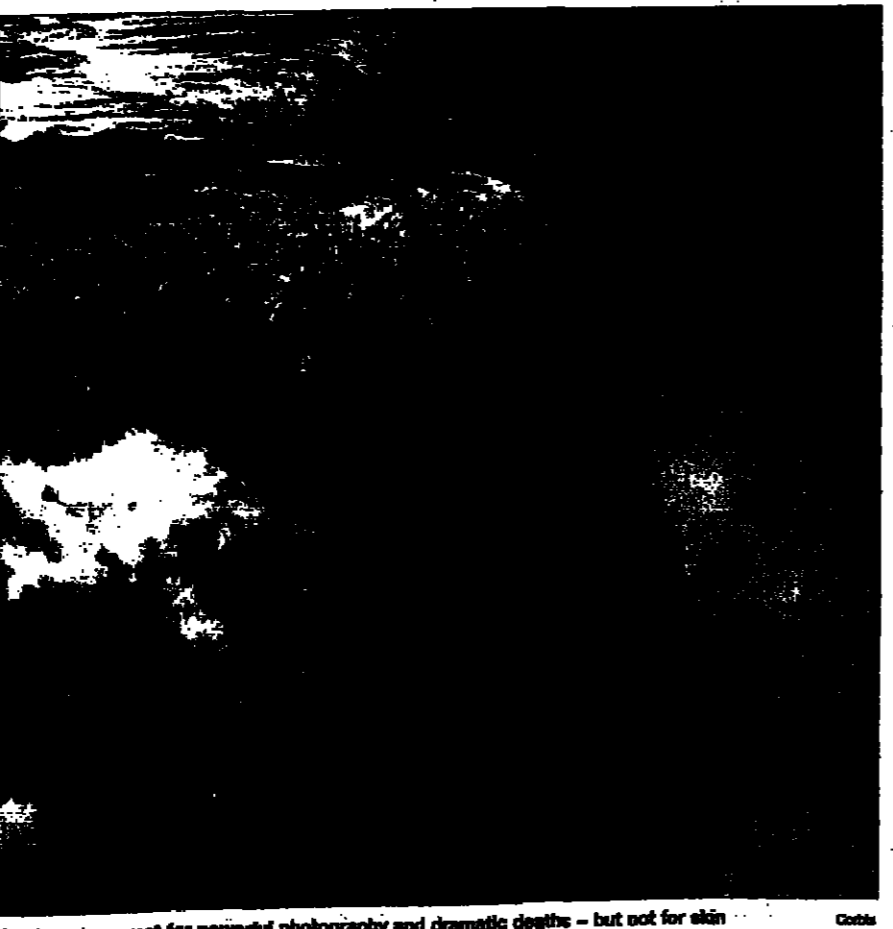
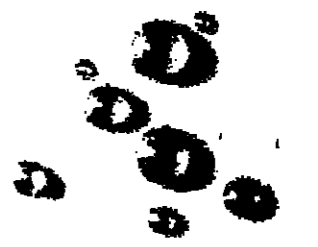
Issima's full range of cleansers, toners, masks, and exfoliators, in addition to its moisture creams, is infused with a new, rosier scent. It is very feminine, the sort of aroma that hangs around a happy woman as she sits at her dressing table, one dangle earring on, one off. The entire range has a light floral smell, which gradually dissipates in just about the time it takes to find your bottle of perfume - so there's no danger of a fragrance competition.

Another plus: since Guerlain is investing so seriously in the range, it is likely to be available everywhere for years, if not decades. Which

means another danger averted - that of discontinuation, and the hole it leaves in your regimen.

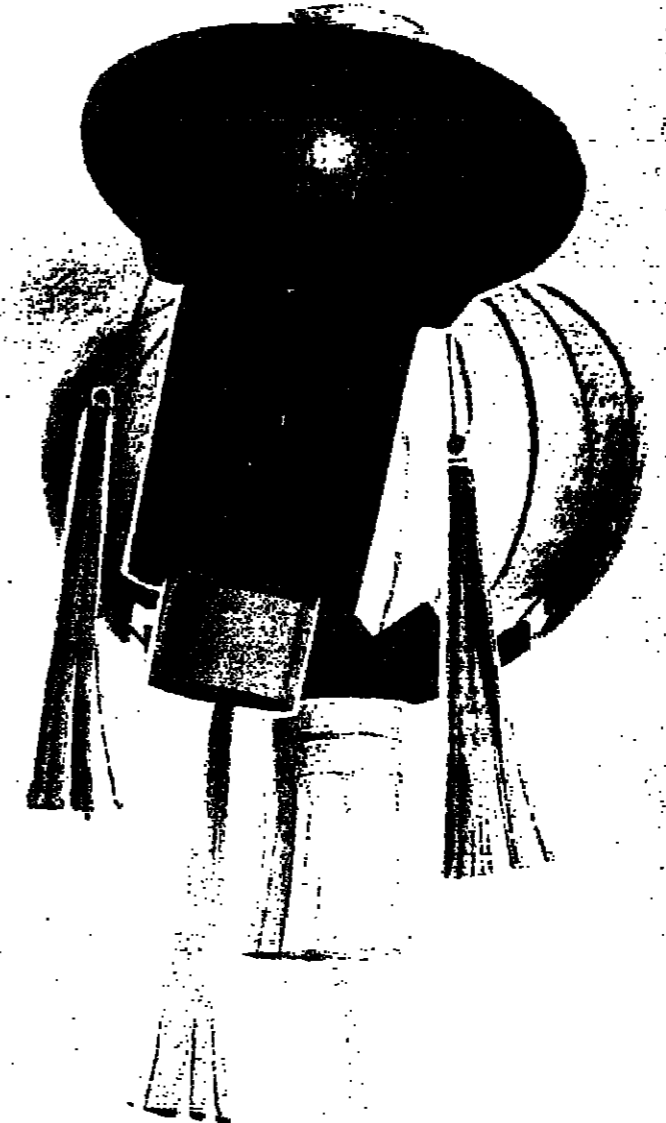
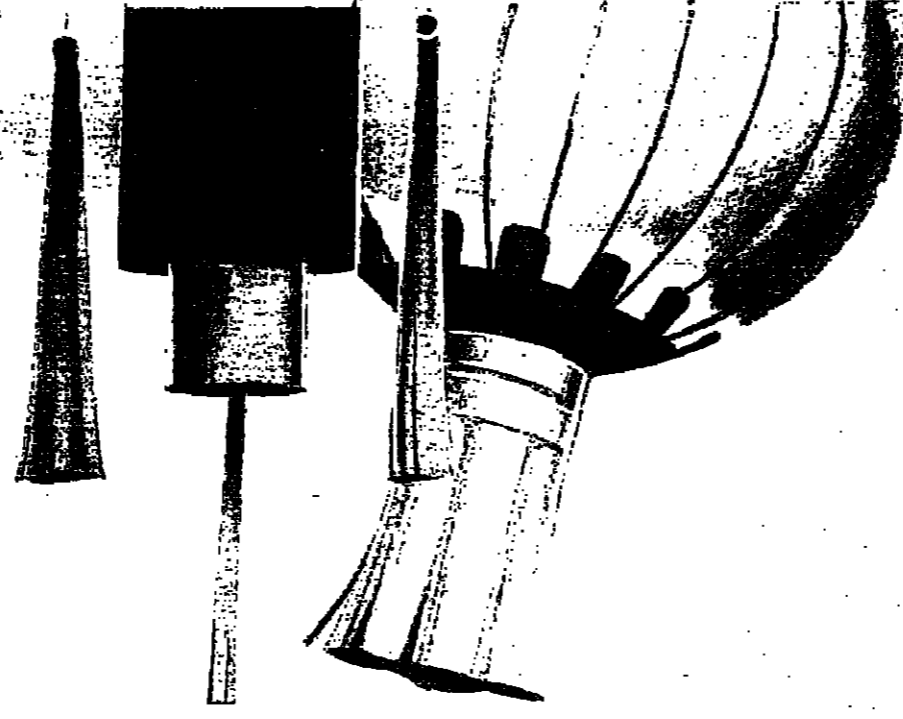
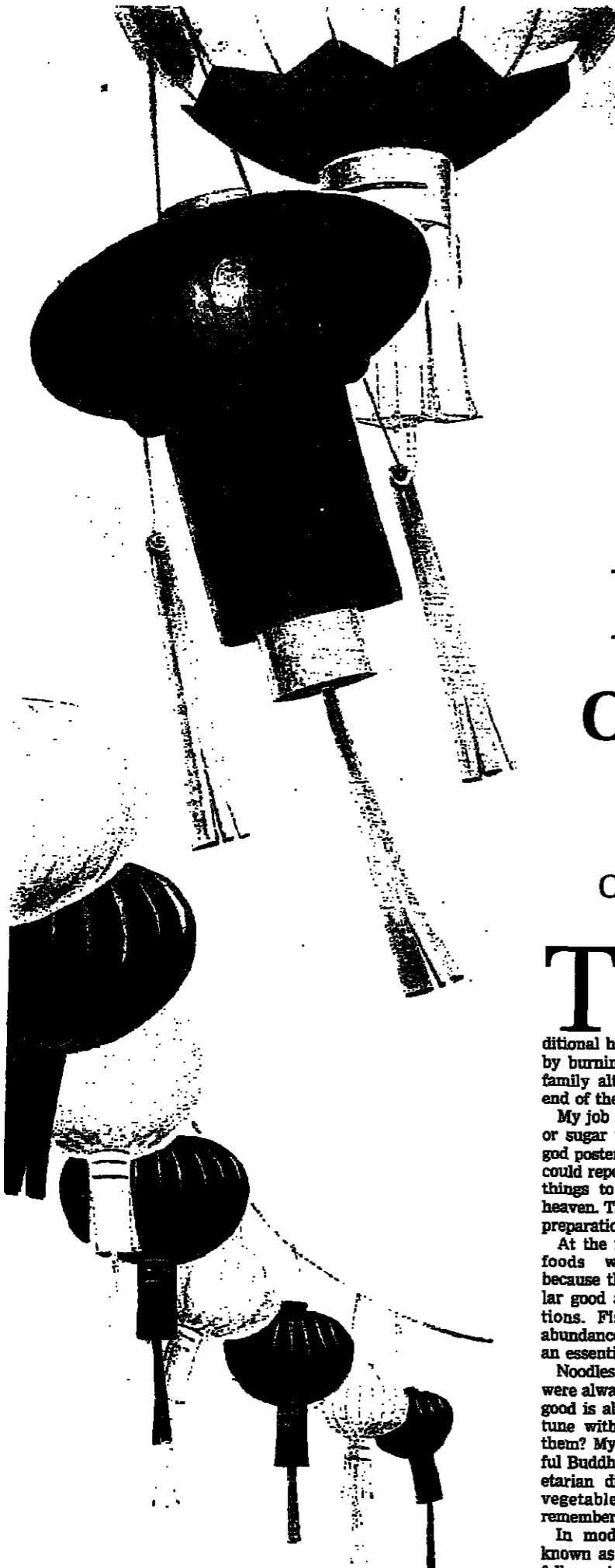
But what of the more serious threat, wrinkles? Do battle against these, is more better? Does Vital Moisture work? The Hydramythic fluid and cream, certainly, turn scaly skin to silk. You can practically feel them getting your flusher sorted.

Drinking flushes your system but hydrating requires organisation, according to Guerlain's Dove. No bones about it. "Drink all you like," he says, "but if you don't stimulate your hydric captors, there's no point."



Unruly water: great for powerful photography and dramatic deaths - but not for skin

FOOD AND DRINK



# My family and other memories of China

Celebrity chef Ken Hom looks at how the Chinese celebrate the future by looking at the past

**T**he Chinese new year celebration was always the biggest holiday in my family. We would pay the traditional homage to our ancestors by burning incense at the small family altar which stood at one end of the living room.

My job was to rub some honey or sugar water over the kitchen god poster on the wall so that he could report only sweet and good things to the Jade Emperor in heaven. Then the new year's food preparation would begin.

At the new year table, certain foods were always served because they symbolised particular good and noteworthy aspirations. Fish, which represents abundance and good fortune, was an essential item.

Noodles, a symbol of longevity, were always served because what good is abundance and good fortune without the time to enjoy them? My mother, being a faithful Buddhist, always made a vegetarian dish. It was a savoury vegetable casserole which I remember to this day.

In modern China it is now known as the Spring Festival. It falls, variously, between January 21 and February 19, and marks the return of the sun, the beginning of the agricultural year. As such it is pregnant with meaning, hope and desire, as well as the fatalism which is the normal lot of the peasants. It is a holiday, then, that combines the significance of the western Christmas, new year and the more pagan aspects of the Easter holiday, and it is celebrated accordingly. It has less of a religious foundation in the Chinese culture than in western culture.

Given China's geographic scope, there are regional variations in the observances of the day. It has been called the Time of Beginning, First Day, First Morning of the Year, and other such names; the northern areas are much more affected by the seasonal turns and there it is truly the start of the new year.

In any case, the holiday is seen as a time of clean slates, of fresh starts, of "out with the old and in with the new", of new resolutions and hope for auspicious omens. Many couples are married at this time.

Old debts must be repaid. Homes are thoroughly cleaned: the dust of the past must not cling. Presents are exchanged, children are given small gifts of money, families get together - in Taiwan the New Year dinner is



Ken Hom: enthusiast for China's seasonal foods

called *suishi*, "sitting around a stove".

The gods and ancestors are propitiated: fathers and sons go to the family grave sites or shrines to invite the ancestral spirits into the home; pictures of the deceased are hung, candles are lit before them, and incense is burnt. Prayers are intoned for peace and prosperity.

Above all, meals, feasts, and banquets, featuring specially prepared foods, are enjoyed. In China, the public holiday lasts for three days. Forget about doing any business in Hong Kong or Taiwan during the two-week new year's celebration.

In China's northern areas, the weeks before the holiday are still devoted to the preparation of the foods for the festivities. Most typical of these foods are the meat dumplings called *jiaozi*: chopped pork and cabbage, salt, ginger, spring onions, and ground white and black pepper in a thin wrapper of dough.

In some southern areas these dumplings are formed into the shape of the gold and silver ingots (*guan ban*) that were used as money in ancient China; they thus augur good fortune as well as good eating.

Large households may prepare thousands of these dumplings. If refrigeration is lacking, they are simply allowed to freeze in special racks placed in unheated rooms: it gets bitterly cold in northern China.

The dumplings thaw and reheat nicely in boiling water, and are eaten with dipping sauces and with soy sauce and other side dishes, a great time-saver. It is considered unlucky to begin the new year by working during the first few days and, furthermore, knives and scissors are to be avoided in any event: they

may cut through one's good fortune.

These dumplings are only appetisers or side dishes. Most families slaughter a pig for the main new year's feast and make bean curd, sausages and special wine for the occasion. Regular markets are supplemented by hundreds of food stalls to satisfy the demand for *nian huo* or "new year goods". The sumptuous main meal, on new year's eve, usually begins in the late afternoon.

There will be lavish servings of vegetables (cabbage, turnips, dried mushrooms), pork, chicken, fish (the "trinity" of wealth, health and luck), and seafood, with every imaginable traditional condiment and delicacy (a favourite: thin-sliced jellyfish in vinegar and soy sauce).

Wealthier families will serve sea cucumbers, shark's fin, birds' nests, and lions' heads (giant pork meatballs). "Eight precious rice" is another traditional favourite: sweet sticky rice with lotus and almond seeds, sliced red dates, candied fruits, sweet bean paste and brown-sugar syrup. White rice is also served, as well as wine and other spirits. It all adds up to quite a feast.

Small wonder that the mouths of the kitchen god icons are smeared with honey at this time of year.

And that is only the first of a number of sumptuous feasts that follow, as distant relatives and dear friends arrive over the next few days, to help along the continuing celebrations.

This is a time, too, to enjoy all sorts of snack foods: watermelon seeds, sesame candy, sliced salted eggs, roasted peanuts, and pears, oranges, and cakes.

During this holiday period, offerings to the gods and to one's ancestors are increased and made more substantial - to give thanks for getting through another winter and to welcome in the new year as auspiciously as possible. The hope is that the gods and ancestors, pleased and impressed by such bounty, will continue the prosperity through the coming year.

In southern areas of China, where the seasonal turns are less pronounced, the new year is celebrated nonetheless. There, in the rice regions, the rice is washed clean several days before the feasts begin.

This special rice is called

"grain for ten thousand years" (*wan nian liang*) - clearly, the hope is that the new year will bring prosperity.

More than in the north, sweets such as glutinous rice pudding and pastries of all sorts abound and the new year cake, or *nian gao*, is an essential part of the celebration: any self-respecting family will have, at least, steamed cake, turnip cake, nine-layer cake and "sticky cake." I remember eating hair vegetable, also known as black moss, which is actually a type of seaweed which looks like matted hair.

All through China at this time, dates and chestnuts are consumed in abundance because the words signifying these treats are also homophones for "early" and "the coming of a son," and we know how families wish for that.

As the new millennium approaches, I wish each and every one of you good health, happiness and great prosperity, as well as tasty eating.

Ken Hom is a television presenter and food writer. His new book, *Ken Hom Cooks That!* (Headline, £18.99, 224 pages) was published last week and it gives one of the recipes from *we* below.

## Chinese whispers

The most enterprising diners I ever encountered were four young teenagers having lunch in the tiny Lee Ho Fook in Macleanfield Street in London's Chinatown, writes Nicholas Lander. Introduced to the world's cooking via television, they had pooled their pocket money and met during their half-term holiday for a lunch of wonton soup followed by bowls brimming with noodles, roast duck and crispy pork.

Next week, the Year of the Rabbit, coincides with many schools' half-term holidays in England. One of the great draws of Chinese restaurants is that Chinese food in Britain is often inexpensive.

At the few restaurants that breach this rule, notably the Oriental Restaurant at London's Dorchester Hotel, (tel 0171-317 6329), it will almost certainly be the cost of raw ingredients such as abalone and shark's fin which put up the prices.

However, increasingly and most regrettably, fish costs in general, particularly for sea

bass, fresh prawns and scallops, are adding to the bill.

Avoid these, drink beer or China tea - still the best accompaniment to Chinese food - and you can enjoy excellent value.

Around Soho's Chinatown head for Harbour City, 46 Gerrard Street (0171-439 7859), Chuen Cheng Ku, 17 Wardour Street (437 1398) and New World, 1 Gerrard Place (434 2508) for lunchtime dim sum; Fung Shing, 15 Lisle Street (437 1539), Aroma II, 118 Shaftesbury Avenue (437 0377) and Yming, 35 Greek Street, (734-2721).

Other capital favourites are Jenny Lo's Tea House, 14 Eccleston Street, SW1 (259-0359) and, around Baywater, W2, Mandarin Kitchen, 14 Queensway (727-9012), Lee Fook, 98 Westbourne Grove (727-0099), and Royal China, 13 Queensway (221-2535). Royal China has an even noisier branch at 40 Baker Street, W1, (487-3123).

## Restaurants

# Why Manchester can't be Manhattan

Nicholas Lander's visit to his home city is far from an unqualified success

I lunched at Manchester's new restaurant, The Reform, before hearing mutterings of discontent about it at a professional gathering in the city that evening.

There were one or two phrases a restaurant writer never likes to hear. The first is: "Yes, I've heard it's not that good. I would have gone to... instead." The second, perhaps more ominous, is: "I hear it's very good but I haven't been there."

Even if I had heard what proved to be accurate appraisals of The Reform restaurant I would still have wanted to visit for myself. Set in the former Reform Club, established in the Victorian era by the city's practitioners of free trade, this institution subsequently became a gentlemen's club. L.S. Lowry, the painter, was an habitué.

The main room, now a bar and restaurant, retains its splendid ceiling and walls. However, a combination of dark pink curtains, brown tiger-skin fabric on the chairs and banquettes and second-rate Renoir and Van Gogh reproductions on the walls

and a feeble stereo system destroy all vestiges of charm. I felt very sorry for William Gladstone, whose statue stands in a corner, presumably too big and too heavy to be moved from this modernist mishmash.

Had The Reform's modern setting delivered top quality modern British cooking I would not have been as upset, but what I was offered was a litany of poor produce, amateurish cooking and friendly but unprofessional service.

The tarragon cream with my mussels was fine but the mussels were tough and chewy and I left more than half. The waiter did not seem either to notice or care. My grilled filets of red mullet, a fish so delicate that it should barely be cooked at all, had been so overcooked that they were

shrivelling up to meet in the middle, yet the kitchen had managed to undercook the sliced vegetables underneath. I left most of both and again the waiter said nothing. My dessert, a sauran (sic) - this should have read sauran - of mango and ginger was, however, the worst of the lot. The sauran dough was too heavy to eat, the mango slices upright and the ginger came in one unappetising chunk.

I pointed out its inedibility to the waiter by sticking my fork into it and banging it against the plate. He apologised but did not take it off the bill. The Reform also fails to close off the credit card slip properly. I am told that towards the end of the week the bar is a fun, crowded place but, the next time I am hungry in Manchester, I will follow some

betled advice and eat instead at the new Lincoln Restaurant at 1 Lincoln Square (tel: 0161-834 9000).

My journey north also took me to Juniper, a Michelin-starred restaurant in the wealthy commuter town of Altrincham, north Cheshire, ten miles outside Manchester.

Everything eaten and drunk there was distinctive, well-chosen and well-executed. Paul Kitching, the chef, has a very fine touch - with fish in particular. Three small fillets of Dover sole layered with courgettes and spring onions was a dramatic first course, and two main courses, sea bass with cardamom cream and Cornish cod with orange and parsley butter, glistened with freshness. Best of all, was a bouillon of

white chicken and diced vegetables with wild mushrooms.

Although my companions and I ordered individual desserts, spoons were soon moving in all directions as his signature dish, a rice pudding soufflé with rosemary ice cream, a refreshing lemon tart and a milk chocolate tart with rum and raisin ice cream, came to sudden, very sticky ends.

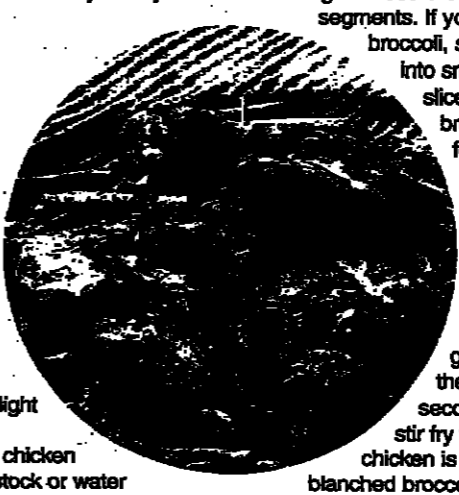
Juniper's wine list also contains bottles of equally distinctive flavour and character, particularly a 1996 Ribolla Giallo from Friuli £22, all similarly fairly priced.

My only reservation about recommending Juniper wholeheartedly - and it is a serious one - is its price. Kitching's set dinner menu,

costing £26.50 for three courses, including coffee and wonderful petits fours but excluding service, is just too expensive.

It is not only high by local standards, it is as high as the most expensive London menu prices and its equivalent in France would buy a top tasting menu that would almost certainly include *amuse-bouche*, a cheese course and service. In dollars, Kitching's price would put him at the top end of the price scale in Manhattan's restaurants.

I am convinced that Kitching wants to buy only the best produce and that he is not getting rich on his share of Juniper's profits. We were among only a dozen customers, of whom three seemed to be Kitching's friends, and that on



### Ken Hom's Chinese-style Stir-fried Chicken with Broccoli (serves 4)

**Ingredients**  
450g (1lb) boneless, skinless chicken thighs or 900g (2lb) unboned chicken thighs  
1 tablespoon light soy sauce  
2 tablespoons Shaoxing rice wine or dry sherry  
1 teaspoon salt  
1 teaspoon freshly ground black pepper  
3 teaspoons sesame oil  
2 teaspoons cornflour  
450g (1lb) fresh Chinese or ordinary broccoli  
1 1/2 tablespoons groundnut (peanut) oil  
2 tablespoons coarsely chopped garlic  
2 tablespoons finely shredded fresh ginger  
2 large fresh red Thai chillies, seeded and sliced  
2 tablespoons fish sauce or light soy sauce  
4-5 tablespoons homemade chicken stock or store-bought fresh stock or water  
2 tablespoons oyster sauce.

rice wine, salt, 1/2 teaspoon of the pepper, 1 teaspoon of the sesame oil and the cornflour, and mix well.  
Refrigerate and marinate for 30 minutes. If you are using Chinese broccoli, cut it into 4cm (1 1/2in) segments. If you are using ordinary broccoli, separate the broccoli heads into small florets, then peel and slice the stems. Blanch the broccoli in boiling salted water for several minutes, then immerse in cold water. Drain thoroughly. Heat a wok or large frying pan over high heat until it is hot. Add the groundnut oil, and when it is slightly smoking, add the garlic, ginger and 1/2 teaspoon of the pepper. Stir-fry for a few seconds, add the chicken, then stir-fry for 4 minutes or until the chicken is brown. Then add the blanched broccoli, chillies and fish sauce. Add stock or water as needed. Stir-fry at a moderate to high heat for 4 minutes until the chicken is cooked and the broccoli is heated through. Add the oyster sauce and 2 teaspoons of the sesame oil and stir-fry for 2 minutes. Serve at once.



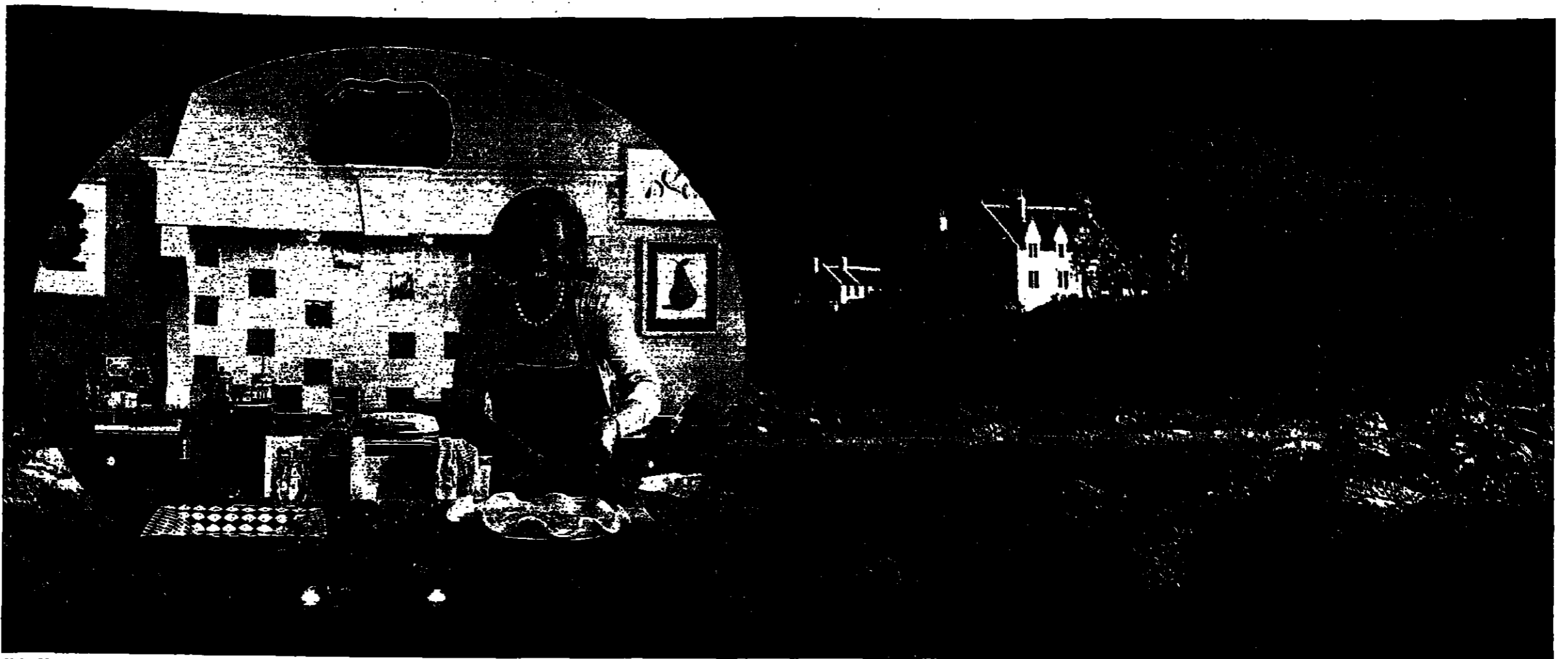
John Co. 1520

Paradise

Ma

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FOOD AND DRINK



Claire Macdonald of Kinloch Lodge on the Isle of Skye. The lodge is in a wildly romantic and extraordinarily beautiful setting, a haven of tranquility and good cuisine

Cookery

Paradise for diners, balm for bodies

When I arrived in the Scottish Highlands the January sky glowered like pewter. The sea was the same hue, fringed with furious white. Gorse was coming into bloom. Sheep squatted on the road seeking warmth from the tarmac. Stags, abandoning Landseer poses, leapt across my path with their herds, so close I could almost have leaned out of the car window to touch them.

Next day remnants of snow gave way to steady rain. The day after that was as joyously sunny and wide as clean blue-skyed as only the Scottish Highlands can be. Unpredictable and irresistible.

Some say the Scots are dour and mean, but I have always found them warmer and more welcoming than the English. My spirits rise as soon as I cross the border. In the north, eye contact, smiling faces, piping hot baths, unstinting central heating and blazing open fires are the norm. And these hospitable characteristics are more than generously displayed at Kinloch Lodge on the Isle of Skye.

Kinloch is blessed with a wildly romantic and extraordinarily beautiful setting, a haven of tranquillity at the water's edge with a backdrop of woodlands, moun-

tain and amber moorland threaded with lochs, rivers and burns, home to brown trout, salmon and sea-trout, roe and red deer, woodcock, snipe and grouse. Heaven on earth for serious walkers and climbers and those who love country sports. Paradise, too, for those who prefer such gentler pursuits as rambling, sketching wild flowers and butterflies, visiting castles and gardens.

The essence of Kinloch's success lies in the personal touch of its owners and the fact that it is small - 10 rooms in the old house plus five in an adjacent new building (opened last summer) which blends so organically that I was tempted to ask what its original use had been.

Kinloch Lodge is one of those rare establishments that truly lives up to its "country house hotel" status. It is a relaxed and relaxing comfortable family home, originally a 17th century farmhouse, developed as a shooting lodge a hundred years later, and opened as a small hotel in 1973 when Godfrey Macdonald of Macdonald, Lord Macdonald and High Chief of Clan Donald, inherited it (and a double dose of crippling death duties) on the death of his father.

The Kinloch welcome is wonderfully warm, service is

immaculate and discreet, comfort is considerable, and the food is famously good. Balm for body and soul.

Invisible hands turn down the beds while you dine, and make them afresh while you breakfast. I glimpsed only the occasional figure slipping into the halls, morning and (book-lined and portrait-hung) drawing rooms to add more logs to the grates and replenish the drinks trays from which you are invited to help yourself.

Bedrooms are as restful and prettily decorated as the main rooms, boasting gener-

ous cupboard space, long mirrors, good lights for reading in bed, electric blankets, soft pillows, large towels and plenty of them (but no suffocating towelling robes). A small glass of fresh-cut geranium flowers stood on my chest of drawers. Monet-esque lily pads and a few frogs (tile-painted, not live) kept me company in the bathroom. Beyond the windows stretched crag and sea loch views dripping silence but for the occasional splash

or cry of a bird.

The only disappointment was mini-tubs of UHT milk on my early morning tea tray. I understand the practical reasons for them - and I dare say I would have been given a small insulated jug of fresh milk instead, if I had thought to ask for it - but the presence of UHT at Kinloch came as a surprise given Lady Macdonald's known passion for fresh local and seasonal produce.

Lady Macdonald is better

known to many as Claire Macdonald, the award-winning cookery columnist, cookbook author and cookery demonstrator extraordinaire. She is infectious enthusiasm and her input in the kitchen (at first she did nearly all the catering herself) has been an important factor in helping achieve Kinloch's international reputation.

A fine ambassador for the finest foods of the region, she makes much use of wild venison and other game, traditionally reared and properly hung beef and black-faced lamb, hogget and mutton, and the local harvest of seafood, both fresh and smoked on nearby Uist.

Local market gardeners grow organic herbs, vegetables and soft fruits for her. And just about everything that can be prepared on the premises is prepared there, from breakfast bread and scones to after-dinner fudge.

Regularly throughout spring, autumn and winter, Claire Macdonald runs three-day residential cookery courses at Kinloch. The classes are a personal tour de force and great fun, laced with valuable tips as well as demonstrating a dozen or more recipes over two mornings. Afternoons are free for lazing or exploring, enabling participants to enjoy a thoroughly spoiling stay with a

little bit of learning thrown in for good measure.

January's subject was Seville oranges. Side-stepping their classic use in marmalade-making - "uniquely Scottish of course and very delicious but too well known to make this morning" - Claire Macdonald devoted herself to showing off the fruit's invigorating brilliance in soups, fish, meat, poultry and game dishes, as well as puddings and baking. She was as zealous as the orange itself, and I cannot imagine that anyone came away without feeling enriched.

Those addicted to self-catering holidays may like to know that a cottage adjoining Kinloch Lodge is available for weekly rental throughout the year. While those who wish a *célibat* may want to find out about the special four-day jamboree package the Macdonalds are planning to celebrate the millennium.

■ Kinloch Lodge, Sleaz Peninsula, Isle of Skye IV43 8QY. For hotel, cottage and residential cookery course enquiries and bookings, tel: 01471 833214, fax: 01471 83322, e-mail: kinloch@dtal.pt-pez.com and website: www.kinloch-lodge.co.uk or www.claire-macdonald.com

■ For more information on short breaks in Scotland's small romantic hotels, call the Scottish Tourist Board on 0800 511511.

RICH ORANGE PANCAKES (makes 16 to 18)

For the filling: 100g unsalted butter; 100g icing sugar; the finely grated zest of 1 Seville orange; 3½ tablespoons Seville orange juice plus ½ tablespoon brandy (or 2 tablespoons each Seville orange juice and brandy if you favour more alcohol and less citrus flavour).

Make the batter in a food processor or by hand, gradually beating the liquid ingredients into the dry ones to make a perfectly smooth creamy batter. Stir in the cool melted butter, and set aside.

Prepare the filling. Cream the butter (which should be diced and at room temperature) in a bowl that has been rinsed out with boiling water. Then beat in the sifted icing sugar, grated zest and liquids (a little at a time) in that order.

Cook the pancakes until tender and golden over medium-low heat in a well-seasoned 16cm pancake

pan that has been rubbed with butter paper. (Turning them with your fingers is safer than teasing them.) Cool, slightly overlapping, on plates.

Butter a shallow overproof dish. Spread the pancakes gently and evenly with the orange brandy butter, as though buttering toastine bread, and fold each one in half and in half again to hide the filling. Lay the triangles in rows. Brush the surface with a little melted butter and lay butter paper on top. Refrigerate or freeze if preparing well ahead.

To finish, slide the dish (with the butter paper still in place, to prevent drying out) into an oven heated to 190°C (375°F) gas mark 4. Bake for about 20 minutes until the butter melts and the pancakes ooze with their bubbling aromatic sauce.

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1997 burgundy / Jancis Robinson

Marked up and mucked about

It was too good to last, I suppose. The two most recent vintages offered from Burgundy, 1995 and 1996, represented the sort of dream combo of quality, price and expression of *terroir* that may never come our way again (together with quantity in the case of the 1996).

Now we have merchants on all sides pressing us to buy the 1997s. They may be a mile more expensive, but they are lovely and ripe and presumably, because of the smaller crop, more concentrated.

Well, up to a point, Lord Pinot and Lady Chardonnay. Let us consider the question of price first - a price rise of 10 per cent from many producers, often more for their grandest wines.

At Justerini & Brooks' 1997 tasting, attended by an impressive number of Burgundy growers, I asked one

of the more avaricious about his price rises for wines that were clearly the inferior of his 1996s. He described his 10-plus per cent complete as "dans la logique du fin de siècle". Eh? Am I the only wine lover who cares more about how a wine tastes than the last two digits of its vintage? Far too many wine producers and merchants, in Burgundy as well as Burgundy, are trying to squeeze inflated prices out of wine buyers for 1997s as a condition of graciously allowing us to buy their 1999 and 2000 vintages when the time comes.

That said, producers as serious as Remi Rollin, Tullot Beant (from Bibendum

and Justerini & Brooks of London NW1 and SW1 respectively) and Robert Chevillon and Bruno Clair (J&B) have managed to produce generally fine, true, well-balanced wines, reds and whites where appropriate, at more or less the same prices as the 1996s. Tullot Beant is also available from Goodwins of London SW8.

Domaine Chandon de Briailles (Tanners of Shrewsbury and Haynes Hanson & Clark of London SW1) also appears to have continued to improve form with 1997 vintage, at no great extra cost. Their stunning Pernand Blanc de Des Verges, from HRC, seems good value at £150

from Tanners. This excellent price per dozen bottles will translate into a final cost of about £200.

The 1997s, made from an exceptionally low-acid vintage, have nothing like the long-term cellaring potential of the previous vintage. Like 1992s, say, they should be drunk sooner rather than later as a rule, certainly sooner than the 1996s, and are unlikely to make anyone's fortune.

The rather fat, formless (and in some cases gutless) style of the 1997s should provide some seriously useful wines for restaurant drinking, however. I could well imagine falling upon some of the less savagely

marked-up Mâconnais, Chalonais and lesser Côte de Beaune whites with relish when eating out over the next couple of years. In fact, overall, the lesser wines seem to me a better buy than the grandest.

If you are to pay more than £400 for a case of wine, then you are justified in wanting it to be absolutely stunning.

Far too few of the nearly 250 1997 burgundies I have so far tasted were absolutely stunning, although some of the lesser ones were charming, especially whites.

But too small a proportion of the village and premier cru reds were true expres-

sions of where they came from. Too many of them tasted as though they had been over-oaked, over-manipulated or, to put it another way, mucked about.

It is as though the producers were so worried about the low acidity levels and so influenced by the current vogue for deep colours and high alcohols, that they lost confidence in the grapes' inherent character.

In some wines the acidity was suspiciously marked and obtrusive; could it really have been natural? Denogent's Pouilly Fuissé at Bibendum seemed convincing enough, if in rather different styles - from the rich, already open Mâcon

Soutré (€75 a case in bond) to the almost Verget-taut Pouilly Fuissé Carrons (good value at £165).

Like Montrachet of London SE1, O W Loeb, also of London SE1, has some toothsome whites. Loeb's include Vincent Girardin's mineral-scented Santenay Les Graviers at £148, Didier Laroze's Puligny Montrachet Les Garennes at just £195 (all prices in bond) and, a one-off botrytized wine from Vincent Girardin, following Jean Thievenet's sweet Chardonnay example with a Bourgogne Vendanges de Novembre (£189).

And sensibly priced reds that really did seem to express confidently their

origins include Anne Gros's Bourgogne Rouge and Santenay Les Commes from Mestres-Michelot (£12.73 and £16.16 a bottle respectively off the shelf at Laytons of London NW1); L & F Boillot's Gevrey Chambertin, Les Corbeaux (£205 in bond, Bibendum); Nuits St Georges, Les Fleuristes from J J Confuron (estimated final case price £232.70, HRC); HRC's cheaper wines from Anne-Francois Gros (£230); and Morey St Denis, Clos de la Bussière from Georges Roumier (£264.40, also HRC) about which I see I noted with delight, "there's grapes in this bottle, not winemaking".

Many of these wines are available in limited quantities. Do not despair, however. This is not a vintage to lose sleep over - and, in any case, other burgundy specialists will be hawking their allocations over the next few months.

Appetisers

French tribute to Becket

■ A small French brewery has made an excellent amber-coloured lager and, delightfully, has dedicated it to Thomas Becket, slaughtered in 1170 by Henry II's knights at the altar of Canterbury Cathedral.

The brewery, Brasserie des Champs at Collandres, near Sens in Burgundy, tells me it was Becket who laid down the law for English brewers. There is also a connection between Becket and Sens: Becket spent six years in exile at the abbey of Pontigny nearby.

It seems a shame that no Kentish brewery has produced a liquid monument to the man whose tomb brought so

much money to Canterbury. The very least that can be done, I think, is for some local restaurant, off-licence, pub or wine bar to import a few cases. Brasserie des Champs also makes a pale Blonde de Bourgogne. □ Contact Valérie Guffet, the brewer, on +33 3 86 65 19 89. Giles MacDonogh

■ If the East End Arms sounds like a pub on the edge of the City, think again. A pub it may be, but the location is on the south

side of the New Forest in the Hampshire village of East End.

Recently bought by the owners of The George Hotel, on the Isle of Wight - a Michelin star in the latest guide - the pub has an understated style, with remarkably good food, a short but rewarding wine list and excellent beer.

My pheasant coq au vin with creamed potatoes was excellent at £9, the hot sausage and Dijon mustard with onion jam (£4) just as

pub grub should be, robust and to the point. The chips are neat, coffee, not bad, comes in a cafetière for £1.50. Children are welcome. □ The East End Arms: 01590-626223. Hugo Arnold

■ Talking of pubs, The Atlas behind the Earls Court exhibition hall has broadened its repertoire in the hands of its new owners, George and Richard Manners. George worked at The Eagle in

Farringford Road, and has installed himself in the kitchen producing a daily changing menu of Mediterranean food.

There are good wines from France and Italy, but the Manners brothers, sons of one of England's oldest brewing dynasties, have made it clear that The Atlas is to remain every inch a pub and they do not wish to do away with beer. Good draught ale will always be on tap. □ The Atlas, 16 Seagrave

Street, London SW6. Tel: 0171-385 9129. GM

■ Chefs usually travel with their own knives, but not often their own ingredients. At the Red Fort in Soho until March 14, however, two chefs from southern India are taking part in a festival of coastal cuisine and culture from the states of Karnataka, Andhra Pradesh, Kerala and Tamil Nadu.

Spices are arriving with the chefs. Do not miss out on the dosas, wafer thin lentil and rice pancakes, or the seafood dishes, gently spiced. □ The Red Fort, 77 Dean Street, London W1. Tel: 0171-437 2525. HA

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TRAVEL

# Jewels among the cranes and concrete mixers

A confident Barbados is resistant to global recession, says Alan Ponsford

It had gone. Eradicated. Obliterated. Vanished into warm air. So, too, had all those affluent, beautiful people who had graced its coral-stone portals.

Where was the cluster of royal blue deckchairs and umbrellas which had splattered that broad, now empty, Barbados beach? And those ranks of trinketed pink bodies?

One of the world's poshest hostels has been razed to well below the ground. Packed in, around and over a vast gaping hole were cement mixers, cranes and all the other paraphernalia of construction.

The new, even grander Sandy Lane was starting to rise on the footprint and in the image of the old, hoping for a pre-millennium reopening.

When they troop back after more than 18 months' eviction, loyal customers will find standards of escapism raised to new heights. Apart from its central Palladian-style rotunda and most of the gardens' huge mahogany trees, Sandy Lane will have been totally recreated, albeit much in its former spirit and architectural style.

In place of 120 bedrooms will be 112, virtually suites nearly the length of a cricket pitch, and claiming "every accoutrement of modern life", including "a desk equipped as a communications centre with e-mail and internet linkage", and bathrooms with Jacuzzis.

The swimming pool will have been supplanted by a full-blown,

multi-purpose spa, and two new championship golf courses will be in the making.

This \$100m bet on a continued soaring of Barbados' visitor trade is one of many demonstrations of confidence that, whatever else is affected by looming global recession, it will not be the top end of the island's market.

Up the coast from Sandy Lane, another building site has taken over one end of the spacious gardens of the Coral Reef Club. I fell in love with this well-qualified member of Small Luxury Hotels of the World, in its early days, not long after Budge and Cynthia O'Hara had come out from England to run it in the 1950s.

Then it had 40 bungalows spread across ample lawns and was creating the caring, smart-casual ambience that was to bring generations back year after year.

When the young O'Haras had the chance to buy into the property they borrowed £600 from Cynthia's mother and a bit more. Eventually the family became sole owners and renowned among West Indian hoteliers.

Since Budge died a few years ago, Cynthia has delegated to her three children and their spouses most of the day-to-day running of Coral Reef and their neighbouring smaller hotel, the equally stylish Sandpiper Inn.

The place has grown from time to time, but even with this latest \$10m extension and rejuvenation, will still number only 85 rooms and suites.

The two O'Hara properties and,



Barbadians' laid-back lifestyle, as well as the island's beautiful beaches and fine hotels, draw visitors back year after year

towards the north of the island, Cobblers Cove, are the *crème de la crème* of Barbados' hotels, managing to combine maximum low-key elegance and charm with a lack of ostentation.

At Cobblers Cove, the ever-sollicitous Hamish Watson runs a 40-suite gem that has no room to expand, even if he wanted to. His faithful clientele provide near-full houses in the winter and good summer trade. But he is more cautious than most about the continuing willingness of financially challenged Brits to splash out on far-away holidays.

He and other top hoteliers have seen the flip side of that flattering return business - the risk of sustaining shrinking seniors' clubs. So there is widespread activity to attract younger professionals, not just with comprehensive electronic communications, but with expanded water-sports and sophisticated food.

There was no such caution to be found at the third site. This is the subject of much local debate

## General information

Four operators such as Caribbean Connection offer seven-night holidays, including economy class air travel, at Cobblers, Coral Reef and Sandpiper for about £2,000 a person in the winter season (mid-December to mid-April), more if you travel business class, more again if you use the Saturday Concorde flights. Two weeks would be about £3,500. During the rest of the year prices are between £1,100 and £1,400 for seven nights. Sandy Lane and Villa Nova can certainly be expected to cost more.

and some scepticism. For never before has there been a first class hotel on the east side of the island, off the beach what's more, in secluded countryside.

Along the much-developed west coast most days an apathetic Caribbean Sea lumps on to pale coral sand, inviting languid swimming and snorkelling.

On the beautifully rugged east coast the convulsive Atlantic sends foaming breakers into a dramatic, largely deserted shoreline. But Peter Bowling has total

confidence that his Villa Nova, once the winter hideaway of Lord Avon (former prime minister Sir Anthony Eden) in his retirement, will succeed as a country house retreat offering tranquillity and shameless comprehensive luxury. It is another \$10m venture.

Much of the mid-19th century plantation house has been gutted for restoration and extension in its original form, with polished hardwood floors and colonial furniture.

At 800ft above sea level it will

enjoy cool breezes in which to stroll or jog through 14 acres of lush vegetation frequented by (charismatic) leaping monkeys. The surroundings are rich in beauty spots, viewpoints and historic houses and churches.

Bowling has found a calm spot on the east coast for a beach club. Guests will be taken there by Mercedes. Alternatively, they can choose the west coast for a picnic venue, where the chauffeur-waiter will set things up and pour the first drinks before leaving them to it.

All this cossetting is for the occupants of just 17 suites of varying dimensions.

Visitors may well try to get a game of golf at the fourth construction site, Royal Westmoreland. However, the owners of its gleaming white villas, which have been selling at well over \$1m, have begun to want the course to themselves. Here, too, it is judged there will be plenty of takers for the further houses now going up.

Tourists will usually have to make for the two new 18-hole courses being spread over 600 acres of former sugar cane fields by Sandy Lane. The first will be open to the public, the second to the hotel's guests and residents of yet more high-priced villas to be built around it.

Sandy Lane provided us with a final day of old and new. Hearing the first nine holes of the original course were open, we seized the chance if only for the delight I remembered at the short seventh. Its 119 yards length appears at first sight to be matched by the elevation of the tee above the green so it seems you are driving off a cliff.

There followed the most superb dinner of many on the island - in the golf clubhouse, where Sandy Lane's German chef has established The Restaurant as a testing ground for the gastronomy with which he will spoil the hotel guests. Barbados optimists have no doubt there will be lots of them.

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TRAVEL

The Caribbean island of Anguilla springs many surprises, considering that it is merely a barren lump of coral rock. James Henderson explains why

Time was, not so long ago, that lobsters were considered fit only for pigs and prisoners. Not so now, of course. They are the most expensive dish on the Caribbean menu. You would not want to leave Anguilla without trying a local lobster, though. Or possibly their smaller relative, the salt-water crayfish. The island is famous for them.

Anguilla itself is an island worth bearing in mind. If there is a Caribbean promise - escape, luxury in a fine climate, even a little sophistication - Anguilla comes closer to it than just about anywhere else in the islands. What is so surprising is why. The island is scrubby and flat, basically a barren lump of coral rock. And, worryingly when it comes to food, British to boot.

Yet Anguilla has a small clutch of superb hotels and, unexpectedly, a handful of seriously good restaurants. In the island's favour are magnificent beaches and the fact that the Anguillians are utterly charming. Unlike so many West Indians, they do not seem to have a problem with service. But Anguilla has gone, conclusively, for the top of the market. It has kept away mass tourism for the moment and so there are no casinos or cruise ships.

So I found myself doing the rounds of the restaurants, chasing lobster and crayfish. An interesting day out is in "Gorgeous" Scilly Cay, an offshore big where Eudoxie "Gorgeous" Wallace, a former tennis professional, has a bar and daytime restaurant. It is a bit rough and ready, but that is its charm.

We arrived by motorboat, via a snorkeling dip in Little Bay, where hundreds of thousands of fish fry swirled around us like wisps of mist. Lunch was served to the sounds of an Anguillian scratch band - guitars, maracas,



Cap Juby, one of Anguilla's small clutch of superb hotels and surprisingly good restaurants

Life's a beach for lobster lovers

lead banjo and a bass played on an upturned washboard with a broom handle and string - lobster salad, with slightly curried, firm and strong-tasting flesh.

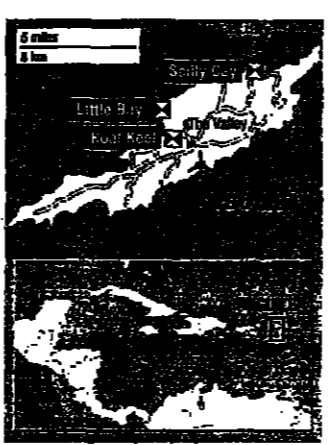
Of course there is far more than lobster to Anguilla. Directly opposite Scilly Cay is one of my favourite spots, Eibemia, which is run by a French and Irish couple. Every other summer, when they close up for the low season, they head off to a different part of the Far East for some culinary exploration. This year they have sprinkled their menu with tastes from China, so their cream of leek soup is now perfumed with green tea and the fillet of snapper is served with Szechuan sauce.

Back at Cap Juby, my hotel, I was surprised to hear English vowels in the fitness centre. Cardigan Connor, an Anguillian by birth, spends summers away from the island for a different reason. For the past 14 years he has played top class cricket in England. Now he spends his winters working as a masseur, turning the strength of his fast bow-

ler's fingers to the knots in visitors' muscles. He's working on island cricket, too.

Dinner that night was a tasting menu at the hotel restaurant, Pimms. We sat among slender columns at the head of the bay, looking along the curved line of the beach, where the villas stood, their curious Moorish roofs glowing white in the moonlight. Seven dishes, with a magnificent lightness of touch, and again with a French and eastern influence, graced the table - snapper *Chinoise*, lobster spring roll, tenderloin served with foie gras and a truffle sauce, oyster and caviar wrapped in salmon...

Some of these ingredients came as a surprise in the Caribbean, but Anguilla benefits from an accident of geography when it comes to supply. Nearby St Maarten is supplied daily from Florida, so Anguillian chefs can order whatever they want. It is then expedited by Anguillian Customs so that it does not spoil. Everywhere I went in Anguilla trails led back to a British man,



Leon Royden, who is a father of Anguillian tourism. When he visited in the early 1980s he realised that the beaches were some of the best he had seen in the world. So he decided to build a hotel. He set a standard of comfort - bathrooms big enough to live in - that was unknown in the Caribbean then. Over the years I must have spent thousands of hours

inspecting hotels around the Caribbean but wandering around Malliouhana with Leon Royden is still a pleasure. As he walks and talks, his beady eye is roving over every corner.

The thing he most wanted to create was a dining room that could rate with the restaurants of Europe (also pretty much unheard of in the British Caribbean at the time). It would be fair to say that he succeeded. Certainly you get a superb meal. The setting is magnificent, on a cliff-top looking north and west, the fare classical French with some concessions to the climate.

Presented in true French style - *les potages*, *les foies gras*, *les asperges* - Malliouhana's menu is long enough that there is no need to repeat a dish even in a two-week stay. Understandably though, visitors, many of them wealthy Americans with sophisticated palates, want a change and are keen to eat out. Over the years places have sprung up for them. Now there are six or seven superb restaurant kitchens

around the island. Anguillian chefs just keep winning awards.

Not far off is Blanchard's, where Bob and Belinda Blanchard have an open-sided dining room within earshot of the sea and a delightful, mixed menu. Their favourite dishes remain the lobster cakes and the fillet mignon of tuna (marinated in Japanese teriyaki sauce, sherry and fresh lemon juice, but new for this year are the giant warm bilinis and a cracked coconut dessert (a chocolate shell rolled in roasted coconut, filled with coconut ice cream).

Along with Malliouhana, Blanchard's is one of just five Caribbean wine cellars that have the *Wine Spectator's* Award of Excellence.

Where most restaurants sit on the coast, Koal Keel uses the charming setting of a restored local house, now a lovely fusty-smelling rum shop, and its yard. Here Anguillian chef Leonard "Smoke" Sharples (all West Indians have a nickname) offers an Anguillian degustation menu of five courses and a tasting

menu in seven.

Smoke sometimes uses the original local beef, the local oven. His summers are spent in France and he feeds that through into his dishes. He also likes to use Anguillian ingredients so there are some unexpected combinations - smoked conch and caper ravioli with chive butter sauce or poppyseed baby rock snapper with risotto butter sauce. Dinner finishes with rum from around the Caribbean in the rum shop.

But I still hadn't tried crayfish. They are smaller and more delicate than lobsters, which can seem stringy by comparison. So Smoke cooked me some, as simply as they come - grilled and served with lemon butter. Superb. And not bad for convict food, either.

James Henderson travelled to Anguilla with *Horizon World-wide Travel* (call 01708-850300) and stayed at Cap Juby. During February, seven nights in luxury room at Cap Juby, £2,352 per person, including air fare, transfers and continental breakfast.

Now I'm the high-wire king of the jungle

Walter Glaser has a bird's eye view of Costa Rica's rainforest

From an 88ft-high platform in a Costa Rican rainforest, I looked down at the jungle floor and wondered what I was doing here.

In front of me, a thin-looking wire stretched into the forest canopy. I felt a tap on the shoulder. The others on the platform were looking at me. Time to launch. My toes lost contact with the sturdy timber boards, whizzed over the trees, and the adrenaline started to flow.

When we booked our Costa Rican cruise on the Wind Song, a computer-operated, four-masted, sailing cruise ship, we had expected luxury but not adventure.

The ship has won several awards for stylish cruising. It carries a maximum of 150 passengers and can take you into ports and bays inaccessible to larger vessels.

Costa Rica is known for its well-protected plants and animals and we had looked forward to exploring its tropical coastline. Then we saw in the brochure the following on-shore excursion: "Tree-top Canopy Tour... a scenic drive of about two hours will transport you from sea level to the 2,000 feet high Rincon de la Vieja National Park."

It added: "You will be hanging from the trees between platforms, providing you with not only an exceptional view of the forest, but with a mysterious wonder, experiencing the



sights and sounds of the tropics. Recommendations: insect repellent, camera and long pants and NO FEAR OF HEIGHTS."

I was hooked. As we came ashore that morning, our bus was waiting. Soon the banana plantations of the coast gave way to cattle and coffee, and eventually we could see the rainforest that covers the mountains. Inside the forest we reached a small motel-type hostel which was to be our base. Here we were taken over by our "minders", a group of wall-bull Costa Ricans who began to kit us out with a type of harness more suitable for rock climbers. We were told to leave behind hats, sunglasses and anything that could fall from our pockets.

General

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We began climbing a mountain track at a pace more appropriate for army trainees. Occasionally we stopped at a tree to be told about its special importance. As we went on, the trees became higher. First 50ft, then 60, then 120, as the narrow, twisting path went deeper into the jungle.

Then we saw it - a tree 200ft tall, with an 80ft high ladder to a platform. "Who wants to go first?" our guide asked in good English. Silence. "OK then! You - that group of eight over there can lead the way!"

I was trapped. A rope was looped through the harness of one of the group. "We haven't had any accidents here, and don't want to start with you," said the guide. When my turn came, all eyes were on me wondering whether this gastric would make it. Halfway up, the same question was in my mind.

After an eternity, I clambered on to the platform. One of the team-leaders clipped his harness pulley on to the braided steel cable running into the jungle canopy from our tree. "Lean back so that you are always feet-first as you travel along the wire. Don't start to spin and don't hit any of the trees that you pass," our minders advised. "Now put on the leather gloves we gave you. They are for braking. If you find yourself going too fast, slow yourself down by lightly rubbing your glove against the

wire. But don't grab it too hard, I'll be at the other end waiting for you. My buddy will see you off."

Fortunately, there was no time to think. The pulley was snapped on, and before I knew what I was doing, I was racing down the wire at surprising speed. From 88 ft in the air one does get a fabulous view. Trees loom all around, the vegetation below seems impassable. Butterflies flit from vine to vine, and huge-beaked toucans glide from tree to tree.

But on my first ride I noticed none of this. All I seemed to hear was the screaming of the pulley. Then I made my mistake.

I grabbed the wire too firmly and thought my arm was being pulled off its socket. That slowed me, causing me to come to rest at the lowest spot in the sagging wire and there was not enough momentum to carry me to the platform 30ft away. "Swing round so that you are head-first toward the platform," called the guide. "That's good! Now pull on the wire hand over hand and drag yourself up to the platform. You can do it quite easily." When I finally clambered on to the platform, I had a warm feeling of achievement. "Tarzan had nothing on me."

Too soon, I looked for the ladder from this second tree to the ground level. But there was none. Instead, there was a ladder to a second ledge 30ft higher and then another thin wire into the jungle.

In fact, there were another 15 sections of wire. Everyone would have to do the whole stretch, we were told. Fortunately, the next section was far less daunting. By the time I was on the fourth stretch it began to seem easy. By the fifth I was looking around and admiring the rainforest.

At platform 15 it was all over. Down ladder and back to the bus. We unwound over a barbecue-style lunch, downed some beer and returned to the ship. There were several more excursions, all enjoyable. But the high-wiring will be remembered longest.

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TRAVEL

# Drumming up the past in Virginia

John Falding finds a fun way to learn about American history as he follows in the footsteps of George Washington

In Chowning's Tavern another night of roistering is coming to an end. The magician has done a vanishing act, the fiddler has gone and just a few heavy drinkers remain, laughing and shelling peanuts.

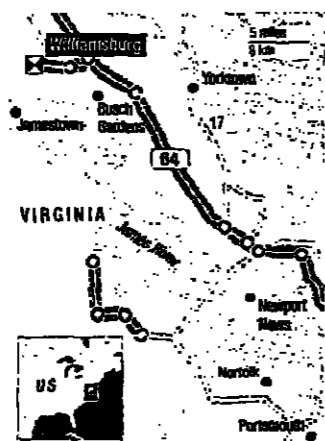
Into this 18th century scene strides a serving wench, not in Laura Ashley print and mop cap but in blue jeans and red polo. I take the hint and step into the Virginia night and the broad, dark street strewn with wood chippings. The warm, pine-scented air is filled with the noise of cicadas and is far more intoxicating than that last pot of ale.

It had been an instructive evening in Colonial Williamsburg, the reconstruction of the town that between 1699 and 1700 was the capital of England's oldest, largest and most prosperous colony. John D Rockefeller Jr began backing its restoration 70 years ago and the attention to detail throughout the 173-acre traffic-free Historic Area is impressive. Only 88 buildings are original but more than 400 other homes, shops and public buildings have been resurrected with the help of archive research and archaeology.

My candlelit supper at the King's Arms Tavern had proved that the past can be sampled with integrity. English cooking of the period was on the menu. I chose soup and game pie and drank Virginia wine. The waiter was instructing me in 18th century relishes as the musicians arrived. I feared "Greensleeves" but was delighted by ballads accompanied on period instruments.

I awoke to find it was May 15, 1776, or at least an enactment of the day Virginia broke its ties with the British Empire. There was an air of expectancy in the market, where the stallholders in costume, immersed in their characters, were preparing to engage visitors in a day of speeches and debate.

Lyca-clad joggers and power walkers were pacing along the mile and a half of Duke of Gloucester Street but I ran into Governor Dunmore, striding out in breeches and tricorn hat. He told me he was not too bothered about the impending vote for independence but his palace told



a different story, the desks covered with the disarray of urgent planning.

Such living history made me consider how the convoluted series of events that spawned America could be assimilated. The subject seemed no longer a sterile, book-bound memory test but a hands-on experience.

Williamsburg stands at the apex of Virginia's Historic Triangle. To the south-west is Jamestown, where in 1607 three ships came sailing in to establish the first permanent English settlement in the New World. On the opposite side of the peninsula is Yorktown, which witnessed the last battle of the American Revolution in 1781 when George Washington's American and French forces painted the British, under Cornwallis, into a corner.

The three sites are connected by 23 meandering miles of tree-lined, truck-free tarmac. The Colonial Parkway, crossing unspoiled creeks and swamps and hiding any sign of habitation, gives some sense of the isolation and exposure the settlers experienced as they fought disease, starvation and, at times, the native inhabitants. The Virginia Company lured them over with promises of paradise. The Virginia Tourist Corporation is now doing much the same, selling a "fun pass" entrance fee deal in Britain to attract fly-drivers to their historic state.

Jamestown still has the three ships, replicas, of course, but again so correct that they are seaworthy and sail regularly. Pocahontas would still feel at home in the Jamestown Settlement's Powhatan Indian hamlet, with its sapling and bark houses and women in hides showing American children how twine was plaited or food prepared.



Putting their best foot forward: the Colonial Williamsburg Fife and Drum Corps. Williamsburg stands at the apex of Virginia's historic triangle

ment's Powhatan Indian hamlet, with its sapling and bark houses and women in hides showing American children how twine was plaited or food prepared.

There is a recreation of the triangular 1610 James Fort, constructed English-style in wattle and daub. Work continues, with costumed builders using traditional methods. But nearby, on the James river, in more contemporary gear, a team of eight archaeologists is involved in an important dig - the excavation of the original fort.

On the way to Yorktown I make a detour to Busch Gardens, a Hollywood view of Europe, in the centre of the triangle. So far the trip had been serious but fun: now it is serious fun. I enter the "English hamlet" of "Banbury Cross" to a fanfare of Fasch, Correll and Bach. Very baroque. The old English fare is just as fitting - fetitas, pizza and popcorn. Feasts are served in modern sculpture through centuries-old trees surrounding a vast man-made lake; little surprise it is regularly voted America's most beautiful theme park.

I carry on to Yorktown. The battlefield earthworks have been preserved or reconstructed to remarkable effect and the Victory Centre includes a mock-up of an army camp with working field kitchens and cannon and a rudimentary farm growing tobacco, cotton and flax. The site manager is Bill Blair, a former pilot who made his green waistcoat, wears a tricorn hat and lives off wild turkey and other game which he shoots with a flintlock. Welcome back to the 18th century.

### Good information

Williamsburg (270 adults, 257.50 children) offers 14 days unlimited admission to the three sites as well as Busch Gardens and Water Country. Includes discount vouchers and is sold in the US only. Tel: +1 800 7000, Virgin Holidays, American Express.

For flights to Washington, Virgin Atlantic has a daily flight to Washington, DC, including tax, United, BA and Icelandair flights from the UK.

Colonial Williamsburg offers holiday packages and a range of accommodation. Tel: +1 800 7000. Virginia Tourism can be contacted on +1 800 7000.

## Hans Leu of the Hotel Giardino in Ascona is something of a bird in paradise in the dark-suited world of Swiss hotels.

At the age of 56, after 20 years of managing the Kulm Hotel in Arosa, he decided it was time to branch out on his own account. A superb plot of land was found just outside Ascona, banks were approached. Leu teamed up with an architect who understood and shared his aspirations. On May 31 1986 he threw open the doors of a purpose-built, luxury hotel on the Swiss shores of Lake Maggiore.

Throughout the time the hotel has been open, while five-star colleagues elsewhere in the confederation have been wringing their hands and blaming the decline in custom on the strength of the Swiss franc and/or the economic downturn, Leu's occupancy rate during the eight months of his season has been hovering around

# Temptingly Tuscan, yet so Swiss

Sue Style on why so many guests return to the Hotel Giardino on the shores of Lake Maggiore

the 90 per cent mark. The majority of his guests are repeat customers. The announcement of an operating profit from year one was greeted by a chorus of gnashing teeth from his competitors. Giardino was conceived as a Tuscan holiday paradise in Switzerland. The fixtures, fittings and furnishings of the rooms both public and private all evoke *la Toscana*. The relaxed, smiling welcome and the laid-back atmosphere of the place is distinctly southern. The mint condition of absolutely everything and the well-oiled precision of the whole operation reminds you that you are, after all, in Switzerland.

The hardware is impressive. The rooms, housed in long, low

dusky pink or ochre buildings arranged around a splashing lily pond, are generously cut and beautifully furnished. The bathrooms are awash with marble. Towels and fluffy bathrobes abound. Downstairs is a Vanity Club equipped with sauna, Jacuzzi and steam baths, exercise bikes, rowing machines and treadmills.

Out in the garden, the sparkling swimming pool is kept at a delicious 27°C (80°F). Deal. There is a plentiful supply of sun beds and gaily striped showering huts in which to slice off the sun-tan cream.

The architecture of the gardens is provided by pencil-elm cypresses, topiarised bay trees,

glossy green-leaved camellias and huge terracotta pots planted with tumbling plumago or fragrant citrus trees. The hotel has its own tennis court and there is a golf course nearby.

The software is also right up to standard, from the personal greeting of all guests by Leu to picnic parties on fleets of pink bicycles or hiking expeditions in the nearby Ticino mountain valleys, to which guests are ferried in a face-lifted, pink post bus (Leu's father worked for the Swiss postal service).

Lunch is served *sur l'eau* on board a pink 1800s-style boat; for early birds there are dawn break-

fast parties up on the alp in summer. For dining "at home" there are three restaurants: the Aphrodite (modern Italian), the Osteria Giardino (regional, traditional Italian) and the Pool Café. As for repeat guests, who are the faithful swallows who migrate year by year to this sunny haven south of the Alps? About half come from Germany, another 40 per cent from Switzerland, the rest from France, Italy, Britain and the US.

Some luxury hotels cater for the elderly with high assets. Giardino appeals to a middle-aged set with high incomes. Clients are most welcome although they are encouraged to keep the volume to a dull roar (especially

in the pool and the dining room). Many five-star hotels have most of the above facilities, in one form or another. What distinguishes Giardino? The clue may lie in Leu's management style, the effect of which is felt throughout the whole operation. This style is described - somewhat misleadingly - as "soft management". While it is certainly a good deal less hierarchical than that of most top hotels (or indeed of most Swiss companies), it is anything but soft.

Each of the nine members of the management team is responsible for his or her own budget, which is thrashed out once a year by the whole team. At monthly meetings - Leu calls

them coaching sessions - performance is appraised and measured against targets set.

Employees work in an atmosphere of trust; much is expected of them - including the fact that they should enjoy their work. Mistakes are tolerated - but the same mistake may be made only once.

When the hotel closes in November, the management team tidies up, does its sums and then takes off on an incentive trip. The style and destination of the trip depends on the year's results. Their best year took them to the Napa Valley. They are already preparing for next month's reopening on the 12th.

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## Another little secret revealed

There is usually little to laugh about on charter flights, but this could have been a scene straight out of a comedy film. According to the computer-generated route map on our screens, our aircraft, like a demented bluebird, was in the process of visiting just about every airport in Europe en route to Lyons.

With the stewardesses concentrating on doling out chicken to some 200 passengers during this hilarious dash to Prague, Salzburg, Innsbruck, Zurich, Milan, Turin, Geneva, Paris and Grenoble, this continued for some half-an-hour. Then someone in authority, like a sorcerer dealing with a wayward apprentice, switched the thing off.

After a shambles in the luggage hall, when the Manchester flight and ours from Gatwick arrived within 15 minutes of each other, there was more cheering news.

"Do you realise," said Ian Morley, Ski Peak's resort manager for Vaujany, "that you've picked the week of the season to come? We've just had a metre of fresh snow." It made a pleasant change from the traditional "You should have been here last Tuesday."

En route to the village, the couple behind me were asked by the rep-cum-ski guide, Matthew Anne: "Is this your first time with Ski Peak?" "It's our first time with ski anyone," was the response.

"We're first-time skiers. We've got to learn so we can bring our children next year. We hear you've had a lot of snow. Is that good or bad?" Anne quickly reassured them. He also warned them not to get trapped at the end of the day over the mountains in the next ski area.

"It's a very expensive taxi ride. Give us a call and we'll do our best to pick you up. But don't do it too often as it really stretches us."

As we moved higher into the rugged countryside of the Dauphiné I reminded myself of the strange-but-true history of Vaujany.

It is one of those well-kept secrets that tourist offices in the mountains are always on about. But Vaujany really is one. Fortunately for Nigel Purkhardt, the owner of Ski Peak, which is the only British tour operator there, he found the area more than a decade ago, and has quietly developed it.

The flagship, for now, is the attractive Hotel de Rission, which specialises in a collection of 19 quaint and basic rooms, each as initially hard to find as the other, and food of the highest quality. "We tend to save the frills for dinner time," says Purkhardt.

If you prefer more up-market accommodation, with intimate candlelit din-

ners prepared on the spot by an en-suite chef, you might prefer the three chalets a little way up the road at the tiny hamlet of La Villette. The village has to be seen and smelt to be believed.

La Villette seemed scheduled to fall down until Purkhardt had the inspired and brave idea of converting some tumbledown farm buildings and, as one visitor put it, banishing the "eau de

several lifetimes. New hotel? *Non.* Nice new working men's club? *Non.* Swimming pool? *Non.* Then someone suggested a crazy idea: how about building one of the world's biggest cable-cars and linking Vaujany with one of France's largest ski areas, Alpe d'Huez?

When the townsfolk of bustling Alpe d'Huez heard, it, they laughed at the scheme's absurdity. They think differently now. The unlikely link extends Alpe d'Huez's already generous area, and has brought extra skiers, many from Ski Peak, into its stops and restaurants.

That night, as chef Kevin Morgan beat out a drum-like welcome on the veal escalope, new guests assembled with *stas chevats* for a briefing in the *salle de jeux* at the Rission. It smelt and looked rather like the gymnasium of the school I attended too many years ago near Montreux. Or was it my Quaker boarding school in Essex?

"Lots of fruit please, I'm starving," said one newly arrived skier. The main message for the next day from Robert Leslie, one of three ski-leaders, was: "For the next four days wrap up warmly, but it'll be good sun on weather."

It was as he had said. I spent four exhausting and spectacular days with Purkhardt and his wife, Annika. On the more demanding itin-

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OUTDOORS / MOTORING

Gardening

# Prime time to plant those new desirables

Robin Lane Fox's thoughts turn to the changing world of vegetables

All eyes are on the snowdrops, still at their best and never better than last Sunday when they could be viewed through the rare combination of soft sunshine, followed by heavy, melting snowflakes. While experts delight in their expensive named varieties, my juices have been directed to the extremities of the vegetable kingdom where the mild winter has brought particular rewards.

The most particular is the earliness of that old English classic, purple sprouting. If this excellent vegetable was an old Euro-kale, keen diners would be all over it. There is nothing romantic about plain purple sprouting, except to those of us who love it truly for what it is. In most years, the ink-purple heads do not appear before mid-March, but they have a flavour which heavy old calabrese cannot rival.

Purple sprouting is extremely easy to grow if you remember to sow it outdoors in mid- to late-April. It has to be given enough space to hang around for nearly a year, but it is worth the room so long as you can keep off its predators. Pigeons are more than many alternatives. In the world of vegetables, you seldom enjoy anything without the risk of a foe.

It's a world that changes with our fashionable cuisine. I suspect it is back in favour, now that international taste has widened the old English palate. Supermarkets do cater for the new desirables but we soon learn they are not always cheap and tend inevitably to be standardised and away from their home soil. Vegetable growing enjoyed a brief surge when the stock market collapsed in 1974 and old investment funds told us to horde baked beans in the roof and try to live off the land.

Perhaps it will collapse again, but the rising taste for exotic herbs and vegetables is already turning thirtysomethings with country bolt-holes to the pleasure of growing their own. Last month, somebody even wrote to ask whether they could put their newly-acquired garden down to Cavolo Nero without hurting it.

If you want to join the fun, tick off purple sprouting and its red relation, a newcomer called Red Bor, and plan to sow them in late April. Both can be bought from

the catalogues of Suttons, Hele Road, Torquay, Devon, and Thompson and Morgan, Poplar Lane, Ipswich, Suffolk. The dark, crinkly green leaves of Cavolo Nero are equally easy to raise from seed. Simpsons of 27 Meadowbrook, Old Oxted, Surrey, sell it for only £1 a packet.

While you plan ahead for these varieties listed under kale or Borecole, you can also start to vegetate by some easy action in the next two weeks or so. The easiest and most rewarding is to plant shallots. They come in bags from most garden centres or from Thompson and Morgan in good varieties.

Shallots are those small onions

## Your own early broad beans are one of summer's serious pleasures

with a mild flavour that always seem essential if you are following a Raymond Blanc cooking text. I was brought up in the belief that they should be planted on the shortest day of the year. Usually, the shortest is the wettest and most foul and it takes more than the shallot to make me want to risk it.

Mid-February is early enough and if you wonder if vegetable growing will ever be your scene, this easy corner of it is the one in which to begin. Loosen up a line of soil without treading over it again and compacting it. Rake it lightly and plant the shallots about 6in apart, pressing them into the soil so only the upper third of the stem is visible.

Try to handle those you buy in a shop to be sure they are firm and have not started to sprout. Varieties have multiplied in the past 10 years and two of the best are now the yellow-brown Atlantic and the red Pikant. Both are excellent in stews or in a sauce accompanying chicken.

In mid-June, remember the old trick of pulling a little soil away from each expanding shallot. This allows them to multiply into ever-more little shallots, the one enemy being mildew which caused trouble to the nursery



stocks last year. Shallots are not over-abundant in the trade, so start early in the next 10 days.

It would be worth trying garlic at the same time. Garlic never featured in the main garden handbooks of the 1970s: it was horribly French. Now, gardeners find it can be obstinate because the individual cloves will refuse to split and multiply. I have only planted it outdoors in February and find the results good enough to justify the effort.

Thompson and Morgan offer garlic bulbs by post at £2.69 for four, enough for a 10ft row. The bulbs should be split into single cloves and planted just below the surface of a light soil, one by one. Experts usually advise an earlier planting in late autumn so the cloves can begin to root and

enjoy at least a month of sub-10°C temperature in the soil.

Ten varieties are offered by Simpsons of Old Oxted, but only for autumn delivery because they believe in it. They divide the list into short- and long-stalked and are an excellent source for those of you sick of buying small heads in a crisis from a general store. My clove will go into the ground in the next two weeks and take their usual chance.

If you have a slightly heated greenhouse, you can steal some useful time by sowing broad beans during the next few weeks and bringing them on for harvesting off in stages in late March and for planting outdoors in mid- to late-April. The seeds can be sown in trays or 2in apart in pots.

Slight heat brings them on early and gives you an earlier and better bean than anything advised by the handbooks for outdoor sowing in late spring.

Whenever I remember this seasonal trick, I am very grateful for it. Broad beans are so silky and pretty in a garden in early summer and are well worth the effort of bringing them forwards. The right variety for early sowing is the popular Aquadulce Claudia. Your own early broad beans are one of summer's serious pleasures.

If you want some more outdoor action, take a risk on parsnips. If the soil dries out, there is scope for an outdoor sowing of these excellent vegetables before the end of February. Of course they have their problems, like any

thing else in the green end of the catalogue.

They are prone to canker, but I have gone back to an old method of sowing I saw as a boy. Take an iron bar or crowbar and ram it into the soil for several inches. Fill the resulting hole with a good rich potting compost and sow two parsnip seeds into it. If they both germinate, remove one in due course. The better compost gives a straighter and healthier parsnip.

I am hugely fond of this old vegetable which has risen recently up the ladder of fashionable foods. Butter it, or roast it, but remember to crowbar it first in unpromising February. These old, forceful tricks behind the scenes lend special flavour to the eventual parsnip on your plate.

## Lucy's Plot Let's get real

There were people looking at my garden last weekend. Clever people, knowledgeable people, the kind who have been gardening for 30 years and know how many runner beans make five: my mother and her best friend.

An act of God helped me out - the whole plot was under snow. Absolutely the only thing showing was flat-leaved parsley hiding under my Christmas present clothes (looking not too bad, though I say it myself). What a relief.

You see, I have to admit that three-quarters of the contents of my plot exist in my mind's eye, not in my mind. The real thing is not the same at all. When people ask me: "How's the garden growing?" I tend to get the mental and actual gardens confused. Living in the Highlands, up a hill and in the depths of a wood, I always hope that by the time anyone actually sees the garden it will have caught up with my mental picture.

My guests were kind; they congratulated me on my Marks and Sparks-style miniature cabbages - ouch - and my baby leeks, not baby at all of course, more tottering with old age. They swallowed a lot of tall stories about what lay beneath the snow.

To tell the truth, I am desperately keen to be doing something constructive. Even though my compost looks convincing, my muck is well rotted and the potting shed is stuffed to the gunwales with seeds of every kind, the ground is still rock hard or wringing wet that, lost in ignorance, I can think of nothing to do. I suppose I should be hunched over some squared paper "designing" my garden.

Books and magazines urge me to soften dramatic shapes with fluid ones and to perform balancing acts involving contrasting, blending and highlighting. I don't really want to "echo" and "animate". I just want to grow something I can eat.

The days are lengthening perceptibly now with occasional surges into imitation spring weather. There's fun to be had anticipating the real thing by setting up bird boxes.

Prospective lodgers need a chance to have a look around before moving in. I've been climbing ladders and tying turfs of heather in a frill around Scots pines hoping to tempt a bird or squirrel to move in within sight of the kitchen window.

Lucy Ogilvie-Grant

A new car launches, the air is always thick with hypebole. Sometimes it is risible. At other times it does seem a bit over the top but there is some truth in it nevertheless.

Occasionally the claims of "first ever" or "the best car we have made" ring true. They did for me last week in the south of Spain when I sampled Rover's make-or-break car, the new 75.

The good news is it is easily the best car to have come from a Rover factory. Discounting the admirable Land Rover Freelander and the small, not very successful 200, it is also the first proper Rover, rather than a Rover-modified Honda Civic or Aclain, since the 80 executive saloon of more than 10 years ago.

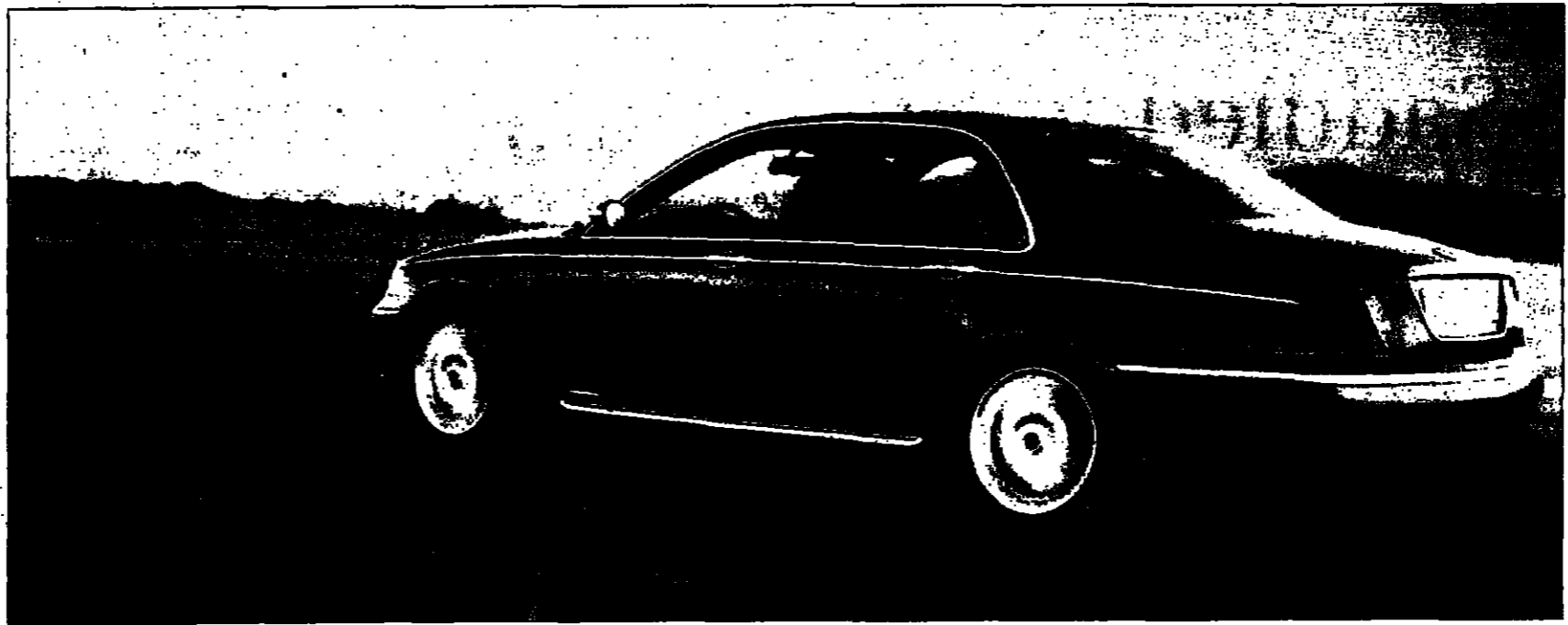
The 75 also scores two genuine firsts. It breaks new ground as the first British-made car to be offered with a "common rail" diesel engine; and it is the first front-wheel-driven car to have an optional five-speed automatic transmission.

Spain's main roads are in general as good as those of any other European Union country, but if you look hard enough, you can still find the traditional potholed kind, on which even the patches have patches. Rover did just that, because it was keen to demonstrate how well the 75 coped with them.

So, the first thing I noticed about the new 75 was that it felt rock solid; the body shell is said to be 250 per cent stiffer than the Aclain-based 600's. Its cushioned ride and freedom from tyre and suspension noise make motorway travel exceptionally quiet.

But it is when leaving smooth tarmac at quite high speed and hitting the broken surfaces of old-style Spanish roads without slowing down that Rover's careful suspension development is really seen to have paid off.

There are no squeaks or rattles; the only clue to the roughness of the road is a modest amount of tyre roar. Even on cob-



Rock-solid Rover: care of its size and price do not come more tranquil than this sophisticated offering

Road test

# Rover's make-or-break marque

The 75 scores highly with Stuart Marshall. But is it enough to restore the maker's reputation?

biestones, the 75 is unfussed. Rover is the first to admit that suspension and acoustics technology from its parent BMW played a large part in creating so urbane a car. "Our Honda-based models were a compromise, a necessary evil. Since BMW took control we have had access to facilities we would only have dreamed about before," was how Peter Morgan, project director, put it.

The 75's petrol engines - a 1.8-litre four-cylinder and V6s of 2.0-litres and 2.5-litres capacity - are Rover's own but the 2.0-litre turbo-diesel is BMW's, modified by

Rover to sit sideways under the bonnet of a front-wheel-driven car. The standard 5-speed gearbox is German, the optional 5-speed automatic comes from Japan.

The first 75 I tried was the turbo-diesel. High gearing - just over 30mph (48kph) at 1,000 rpm in top - made it feel totally untrussed on the motorway. With more torque available than the 2.5-litre petrol V6 provides at twice the engine speed, the turbo-diesel climbed hills lustily and picked up so well from low revolutions that, out of town, it was almost a one-gear car.

The "common rail" system of high pressure direct injection under electronic control, combined with sophisticated mountings, made the turbo-diesel as refined as a very good four-cylinder petrol engine.

Changing to a 2.5-litre automatic, I found it predictably quicker off the mark (0-62 mph in 9.5 seconds compared with the manual turbo-diesel's 11.7 seconds). The transmission was so self-evident that you knew it had shifted only by the change in engine note.

As is so often the case, the smallest-engined version of the new Rover was at least as pleasing as its larger-engined, thirstier and costlier brethren. The 1.8-litre manual 75 has virtually the same top speed (120 mph and standing start acceleration as the turbo-diesel, but gets its flexibility for town driving from much lower gearing.

When no one was looking I saw 5,500 rpm (equal to 112 mph) in the 1.8-litre on a deserted motorway, a speed at which the turbo-diesel would be turning over at just under 4,000 rpm. The 1.8 petrol engine, though clearly hard

worked, never felt over-extended, but the turbo-diesel was more relaxed.

I suspect the long-striding turbo-diesel will be popular in Germany, one of Rover's prime markets for the 75. There, 100mph cruising speeds are routine and legal. As always, the turbo-diesel wins hands down for economy. It should average about 47mpg (6l/100km) against the 2.5-litre V6's 30mpg and 38mpg for the 1.8-litre, all with manual transmission.

The 75's interior is traditional Rover, full of wood veneer and typical British understatement. I was in a small minority who did

not like the retro-styled instrumentation, which is meant to revive memories of country bank managers' Rovers of the 1960s. Though comfortable, the front seats lack under-thigh support for tall people and rear-seat space is adequate rather than generous.

The height of the top anchorages of the front-seat belts changes automatically as the seat is adjusted. Shorter people who like to sit well back may find the belt rubbing on their necks.

Although the 75 replaces both the 80 and 600 in Rover's model line-up, it compares closely with cars like the Audi A4 and Mercedes-Benz C-class, not the Audi A6 or Mercedes-Benz E-class. Another obvious rival, though no one from Rover said so at the launch, is the BMW 3-Series.

People who value ride quality and refinement more highly than the ability to outcorner all-comers and win the traffic lights grand prix will rate the Rover 75 very highly. I do not see it as a car for the young and thrusting driver, but in their great days Rovers never were. Already the motoring magazines are saying it is too soft. For me, cars in this size and price class simply do not come more tranquil.

When the 75 goes on sale in mid-June, two comfort/equipment levels will be offered, Club and Connoisseur. Prices will start at £19,525 on-the-road for a 1.8-litre Club and go up to £26,625 for a 2.5-litre Connoisseur. Cheaper Classic versions - air conditioning is the main omission - will be available at the end of the year from £18,255.

In marketing speak, the 75 is intended to achieve "resonance of brand heritage". (In plain language, to restore Rover's reputation as a maker of the cars for discriminating people). It may take a year, with tens of thousands of 75s on the road, for Rover to know if it has pulled it off. However large the advertising spend, personal recommendation from satisfied owners, plus perceived status, are what really counts in the end.

SPORT

# F1: it's the pits and losing its grip

Michael Thompson-Noel

**F**ormula One motor racing is an extraordinary business. The new season starts on March 7, in Melbourne, and, because of rule changes, many of the drivers believe it will be even harder than last year for rivals to overtake. At this rate, it seems reasonable to wonder whether Formula One has any future at all.

The problem is the pace of technological advancement. Unchecked, F1 cars would be dangerously - *impossibly* - fast, so the sport keeps tinkering with the rules and trying to slow them down.

Last season, narrower cars and thinner tyres with three grooves reduced the cars' grip when cornering. This season a fourth groove will reduce grip even more.

Damon Hill, the 1996 world champion, says the new regulations may make overtaking impossible. "Everybody wants to make grand prix racing as safe as possible, but also as exciting. We have gone down a cul-de-sac."

Michael Schumacher, who has twice been world champion,

says: "The new tyres do nothing to help overtaking or the best drivers to show their talent. The level of effort you have to put into a Formula One car increases with the speed you go."

Eddie Irvine says: "It is totally the wrong way to go... We will just end up going slower and overtaking much less so it will not be so interesting for us or for people watching."

Astonishingly, Max Mosley, who is president of the sport's governing body, claims grand prix racing has become more interesting for spectators precisely because overtaking is more difficult.

"One of the results is that pit stops are [now] of crucial importance, adding a new and exciting dimension," he says. "The build-up to that can go on for 30 minutes, so the tension and drama is terrific."

Quite possibly, those remarks

of Mosley's may prove to be the death rattle of a formerly great sport.

□□□

An enterprise almost as queer as motor racing is cricket which, in the main, is played and watched by dummies.

Occasionally, however, cricket throws up a saintly hero, of whom the latest is Indian leg-spinner Anil Kumble, who took all 10 wickets (for 74 runs) against Pakistan in a Test innings in New Delhi last Sunday.

Kumble is only the second bowler to have performed this feat, joining England off-spinner Jim Laker, who took 10 for 53 against Australia in Manchester in 1956.

The handsome and mustachioed Kumble, 28, lives with his mother and has become,

in a trice, India's most eligible bachelor. "All I had to do was pitch the ball in the right areas, mix up my pace and spin and trap the batsman," the ultra-modest Kumble told the Hindustan Times. This glorious person also provided a wicket-by-wicket, batsman-by-batsman account of his special performance, which is worth dipping into:

1) Shabid Afridi: *It was important for us to get the breakthrough... The Pakistani openers had already put on more than 100 runs. I pushed one through flatter and Afridi got a big nick. 2) Ijaz Ahmed: I wanted to pitch the ball right up to him and hit him on his toes. I delivered it quicker, too. 3) Inzamam-ul-Haq: It was not a wicket-taking ball at all but he got an inside edge to it and dragged it on to the stumps. It was a big wicket because he could*

*have been a sticky customer.*

4) Yousuf Youhana: *I was aiming to get him to play half-cock. The ball was low and in line with the stumps and it seemed like he was not looking to play it... 5) Mehn Khasru: I bowled a slow leg-break and the pitch did the rest, getting the ball to bounce a bit. 6) Saad Anwar: I had been bowling around the stumps to him [but]... switched to bowling over the stumps since I could get more body into it. I bowled a leg-break and he gloved it to forward short leg.*

7) Salim Malik: *I bowled a short, fastish delivery, a flippier that bounced more than even I thought it would, and he tried to pull me. Pulling or cutting was never going to be easy on this wicket... and he was beaten by the one that skidded. 8) Mushtaq Ahmed: I bowled a slow leg-break to him [and] he edged a simple catch to... guilty. 9) Saqlain*

*Mushtaq: I was not aiming to do anything but bowl straight and at your length. It hit him on the pad. It was the end of the over and I was blank, I did not think of anything else but picked up my cap and sweater and walked to my place at fine leg. But knowing [Anwar] I knew he would not strike too hard to claim the 10th wicket and would leave it to me.*

10) Wasim Akram: *I bowled a leg-break to him, expecting him to leave it and get a top-edge to square leg or he bowled. It just happened that he turned it to Laxman at forward short leg.*

□□□

Along with Kumble, Russian ice-dancing queen Maya Usova is another person worthy of reverence, for she is the victor in the saga of Russian skating's crossed-love couples.

Usova, 34, once famously feuded with Pasha Grishchuk, who is eight years her junior, at a Los Angeles restaurant after discovering the younger woman was having an affair with Alexander Zhulin, Usova's then husband and skating partner since 1990.

So at the end of last season, Usova kicked Zhulin out and teamed up with Yevgeny Platov, 31, who was formerly Grishchuk's partner. And - yes - Zhulin paired off with Grishchuk, though their future as a couple is at present unclear.

However, Usova and her new partner Platov are having plenty of fun. They triumphed at the world professional championships in Washington last December, and are now considering a return to the amateur ranks so as to be able to compete in the 2002 winter Olympics.

In Moscow this week, Usova said she was making up for years of unhappiness with Zhulin. "I've changed coaches. I've changed my hair. I've changed everything. I'm starting a new life."

Yachting

## Great Survivor ready to take on the world

Two years after his celebrated escape, Tony Bullimore is sailing forth, Keith Wheatley reports

**T**ony Bullimore's invitation to see his new boat contained clear directions. "Head for the middle of Bristol and the river. You can't miss her." The Great Survivor was right, the new machine dominates the medieval wharves where John Cabot once prepared for his voyage to discover and trade with the New World.

Exactly two years after Bullimore, 60, swam from beneath his caped yacht *Exide Challenger* to greet the Australian Navy, he is back in the game. Undaunted by age or financial worries, indeed by anything, the grey-haired skipper with the look of a prize-fighter and the heart of a lion is preparing for sea.

The boat is a powerful beast. She was built in Canada by an aerospace company almost 20 years ago for a French team which wanted to go multihull racing. "It was the early days of Kevlar and composite structures, so by modern standards it's overbuilt. But, by God, it's strong," chuckled Bullimore.

His long-time associate Nigel Irens, the boat's original designer, has planned a giant new wing mast and boom for the catamaran. They are being built at Carboopers near Southampton, the specialist marine fabricators which did the original refit on the boat before Sir Peter Blake and Sir Robin Knox-Johnston took her round the world in '74 days in 1996 to become the first holders of the Jules Verne trophy.

"Talking to Nigel about the modifications they did at that time, it emerged that the only reason he didn't extend the hulls to the optimum 100ft was that the shed at Carboopers was too small," explained the new skipper. "So I told him to go

ahead and do it."

Nigel Irens is one of the reasons that Mrs Bullimore, the Jamaican-born Lalee, is reasonably sanguine about letting her husband go back to the Southern Ocean that so nearly killed him. "She's got great faith in Nigel who's always produced fabulous boats for me in years gone by," said Bullimore. "She also knows that I'm a survivor who knows what he's doing." Irens is now arguably the world's most renowned designer of racing multihulls.

Twenty years ago as a young man in Bristol he still had a reputation to make. Bullimore was a middle-aged businessman and sailor with a yen to go racing. As a partnership they raced together on the boats Irens drew and Bullimore paid for.

"Nigel and I had great times, won all kinds of stuff, were joint Yachtsman of the Year in 1985, and it's a very important partnership to me," said Bullimore. What makes it so is undoubtedly the fact that Irens goes back years before the celebrity of the rescue and knows the profound seriousness and



Round-the-world yachtsman Tony Bullimore: "It's a fact that if you drive enough boats for enough miles, some of them will break and then sink"

drive beneath the image of the grizzled survivor.

"That image of me wrapped in tinfoil like a jacket potato has been a problem in a way. There can't be anyone in the world who didn't see those pictures," he sighs. "It was an incident and I was lucky. But it's in the past and now I want to go on and do new things."

He rejects vehemently the notion he is accident-prone, a kind of real-life Captain Pugwash, and the statistics bear him out. "I've raced over 250,000 miles at sea and it's a fact that if you drive enough boats for enough

miles, some of them will break and then sink." Bullimore protested. "I could name you at least three professional yachtsmen who have had more problems than me, but they don't get stuck with this image."

Bullimore plans to have the refit completed by late summer. A huge inflatable dome, with viewing panels for the public, will cover the boat and make the project even more of a landmark on the Bristol waterfront. The arrival of the 120ft mast by road trailer from Southampton should cause a stir - especially among motorists.

close for a day so the giant cat can be hauled by crane over swing bridges and locks before being sailed down-river to Avonmouth.

After trials, the first big voyage will be a mid-winter attempt at the Jules Verne circumnavigation record, now held by Frenchman Olivier de Kersatton and down to 72 days. After his own record-breaking run, Knox-Johnston said that with a little more luck from the weather he felt the boat was capable of a sub-70-day run.

"One of the reasons for extending the bows and putting more buoyancy and lift

in there is that it means you can drive the boat harder through heavy seas without it digging in and then cart-wheeling," said Bullimore.

Suddenly one's mental landscape changes from the urban bustle of a chic dock-side cafe in Bristol to the sub-zero wastes of an ocean where the only colour is grey, help thousands of miles away and an upside-down boat likely to prove a tomb - for most people. Bullimore escaped after four days trapped in freezing darkness, half-immersed in icy water.

Now he wants to go back in a boat that takes no pris-

oners. Few of us even possess the imagination, let alone the sheer *cajones*, to visualise driving a craft like this, night and day, at up to 30 knots and never below 20, through those Antarctic wastes in pursuit of a dream.

Bullimore, although a gregarious man, does not really enjoy the constant familiarity of global celebrity that miles away and an upside-down boat likely to prove a tomb - for most people. Bullimore escaped after four days trapped in freezing darkness, half-immersed in icy water.

Now he wants to go back in a boat that takes no pris-

**R**acehorses are not machines. Many a trainer has reminded an owner of this truism while unsaddling a short-priced favourite after a disappointing losing effort, with the noisy celebrations in the winner's enclosure ringing in their ears.

The problem is that gamblers and those crazy enough to invest in bloodstock have high expectations of the objects of their speculation.

Only 12 species of animal are widely domesticated. Of these, only two are asked to determine the outcome of extensive wagering. Dogs (mainly greyhounds) do so in relative anonymity compared to horse-racing. Each day, around the world, racehorses shoulder the burden of responsibility for millions of pounds in bettors' stakes.

It should not be a problem. Horses have, relatively speaking, big brains, and adequate mental faculties for the discipline of racing.

They may not be the best at learning - a racehorse rates alongside aquarium fish, guinea pigs and octopuses at mastering new tasks - but, once taught, a good memory ensures that little is forgotten. Most racehorses also possess generous natures. They are manageable and bond easily.

However, if you are a British racegoer, for example, such reassuring traits should not encourage you to double your stakes today at Ayr, Catterick, Haydock, Lingfield or Newbury racecourses. In fact, there are good reasons why you should consider halving them.

The equine brain may be large, but the top-heavy conformation of the thoroughbred racehorse means that most of its brainpower is

used in staying upright, before a jockey even starts to ask his horse to race flat out or negotiate a hurdle or steeplechasing fence.

Nor are you particularly likely to gain in confidence by judging a racehorse's intelligence by his choice of companion. Pebbles, a brilliant racehorse in the 1980s, persisted in a liaison with Come on the Blues, a durable but uninspiring stablemate in trainer Clive Brittain's Newmarket yard. Poor Pebbles never understood that the apple of her eye was a gelding.

Similarly, neither Prix de l'Arc de Triomphe winner Allez France nor Remittance Man, successful at Cheltenham in the Queen Mother

should be an education. Under the tutelage of Wilhelm van Osten, a German schoolteacher, Clever Hans would answer geography and maths questions from a crowd with a nod of his head, or a scratch of the hoof.

The Prussian Academy of Sciences carried out an investigation and, having tested the horse in isolation, concluded that Hans had somehow learnt, with mints awarded for correct answers, to respond to the mildest of cues from the crowd. Hans was clever, but not extraordinarily so.

Stephen Budiansky, in an excellent book called *The Nature of Horses* (Phoenix, £7.99), offers the example of

Hans and plenty of insight for punters to absorb along with their losses. But his book is far from critical of horses. Quite naturally, he credits the horse with the greatest victory of all: survival.

Budiansky claims that horses were prime candidates for extinction. He notes that, physiologically, the odds have been stacked against them for 6,000 years, and salutes them for adapting over time to a changing environment, not to mention successfully reproducing unassisted - far from a straightforward process, as anyone who has worked on a stud farm will attest.

Horses, explains Budiansky, can thank their early switch to a vegetarian diet for their continued existence today. It is the distance between eye and mouth which enabled wild horses to keep a look-out for predators during mealtimes, and thus avoid attack.

In short, horses have mastered the game of evolution. Do not think of criticising racehorses, either, for not getting any faster. They are. Average race-times are falling, even if individual race records are only very seldom broken.

If you hope to see much-improved times for top races, you are likely to be disappointed - for two reasons. One, horses are already racing flat out; two, there is no outstanding incentive to chase new records.

Modern methods of improving fitness have little effect on racehorses. The modern sport of horse-racing is three centuries old, and the thoroughbred racehorse's engine was extremely efficient at the outset. Horses produce maximum energy levels almost instantly, but, as a result, they overheat very quickly (that is why they sweat so much) which limits performance.

Their cooling system is not great, either. The absence of a collar bone in the equine skeleton means that only one refreshing breath per stride is possible.

And, as a consequence of low oxygen intake, tiredness creeps in early. Indeed, some people believe all that early-morning effort on the training gallops only helps racehorses ignore the fact that they are getting tired.

Racehorse breeders are also partly to blame if racehorses are not dramatically swifter than hitherto. Most breeders are consumed with the task of producing what will prove the most valuable racehorses in the yearling market, rather than the fastest ones.

These two pursuits can be different. Few in the bloodstock world seek to explore

too deeply what makes a horse run faster. Anyway, the bloodstock business benefits from retaining some mystique, so much so that the characteristic racehorses are most likely to inherit from their parents is the price paid for them at auction.

Budiansky concludes: "It is a tribute to its fecundity and its adaptability that the horse has survived both near extinction at the whims of nature and often harsh exploitation at the hand of man."

"For 6,000 years the horse was a creature of man's enthusiasm for warfare, his ever growing demand for motive and tractive power and his anthropomorphic and romantic imaginations; for all these, the horse has suffered misunderstanding, drudgery, and worse." Something to bear in mind next time you back a loser at the racetrack.

**How to punt it**

Courier at the Australian Open at odds of 4-9. Courier retired from the match in the 4th set, presumably injured, says Shirley.

She was later shocked to discover the Kafelnikov bet was void. Six days before she made her bet, Hills had altered its rule, declaring that, henceforth, when a tennis match was uncompleted, such a bet was void.

Shirley reckoned the rule change was "illogical nonsense" and said she felt aggrieved that Hills had not publicised the alteration properly. It had cost her nearly half her anticipated winnings of £169, she said.

Be that as it may, my sympathies lie with Hill. Spokesman Graham Sharpe says: "We felt the rule change was fairer to all concerned."

"Quite a lot of tennis players seem to be starting matches injured, and then pulling out. We made the match bets void so as to be fair to those who, unknowingly, back an injured player. Also, we were protecting ourselves against potential exploitation."

Helen Shirley is clearly a fearless punter. She will find plenty of other opportunities to bash the beastly bookies.

M.T.N



Thoroughbred racehorses use much of their brainpower in just staying upright

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INTERNATIONAL ARTS GUIDE

What's on around the world

AMSTERDAM

**DANCE**  
Het Muziektheater  
Tel: 31-20-551 8911  
Dutch National Ballet: new, full-length version of The Magic Flute, staged by Wayne Eagling and Toer van Schayck; Feb 17, 19, 20

**EXHIBITIONS**  
Rijksmuseum  
Tel: 31-20-673 2121  
● Adriaen de Vries (1568-1626): Imperial Sculptor. Major exhibition celebrating the work of the Dutch sculptor, who worked for Emperor Rudolf II among other European courts; to Mar 14  
● Asser: Pioneer of Dutch photography. Nearly 200 photographs, including portraits and still lifes, made by Eduard Isaac Asser (1809-1884). The prints were produced by a variety of techniques with which Asser experimented before devoting his full attention to developing a method of photographic reproduction; to Mar 14

**OPERA**  
Netherlands Opera, Het Muziektheater  
Tel: 31-20-551 8911  
Carmen: by Bizet. New staging by Andreas Homoki, conducted by Edo de Waart. The designs are by Wolfgang Gussmann and Gabriele Janesko, and the cast includes Carmen Oprisanu and Martin Thompson; Feb 15, 18

BARCELONA

**EXHIBITION**  
Musée Picasso  
Tel: 34-9-319 6310  
Picasso - Engravings 1900-1942: more than 250 works on loan from the Musée Picasso in Paris, presented as a diary which follows the different themes and techniques that informed Picasso's work; to Apr 4

BERLIN

**OPERA**  
Deutsche Oper  
Tel: 49-30-34334-01  
● Faust: by Gounod. Conducted by Sebastian Lang-Lessing in a staging by John Dew; Feb 19  
● Manon: by Massenet. Conducted by Sebastian Lang-Lessing in a staging by Cesare Livi; Feb 13

BONN

**EXHIBITIONS**  
Kunst- und Ausstellungshalle der Bundesrepublik Deutschland  
Tel: 49-228-917 1200  
www.kah-bonn.de  
High Renaissance in the Vatican: Art and Culture at the Papal Court (1503-34). The early 16th century saw Rome establish itself as the centre of art in Europe: the Vatican commissioned work from such great artists as Leonardo da Vinci, Michelangelo and Raphael. This exhibition displays some of the masterpieces that resulted, and details the context in which they were produced; to Apr 11

BRUSSELS

**OPERA**  
La Monnaie  
Tel: 32-2-229 1211  
Lady Macbeth of Mtsensk: conducted by Antonio Papano in a new staging by Stein Winge, with sets by Benoit Dugardyn and costumes by Jorge Jara; Feb 16, 19

CARDIFF

**Welsh National Opera**  
Tel: 44-1222-464 866  
Peter Grimes: by Benjamin Britten. New staging by Peter Stein, conducted by Carlo Rizzi. Cast includes John Daszak and Janice Watson; Feb 15, 20, 24

DALLAS

**OPERA**  
Dallas Opera  
Tel: 1-214-443 1000  
www.dallasopera.org  
La Bohème: by Puccini. Conducted by Antonio Allemandi in a staging by Mark Lamos, with sets by Michael Yeargan; Feb 13

EDINBURGH

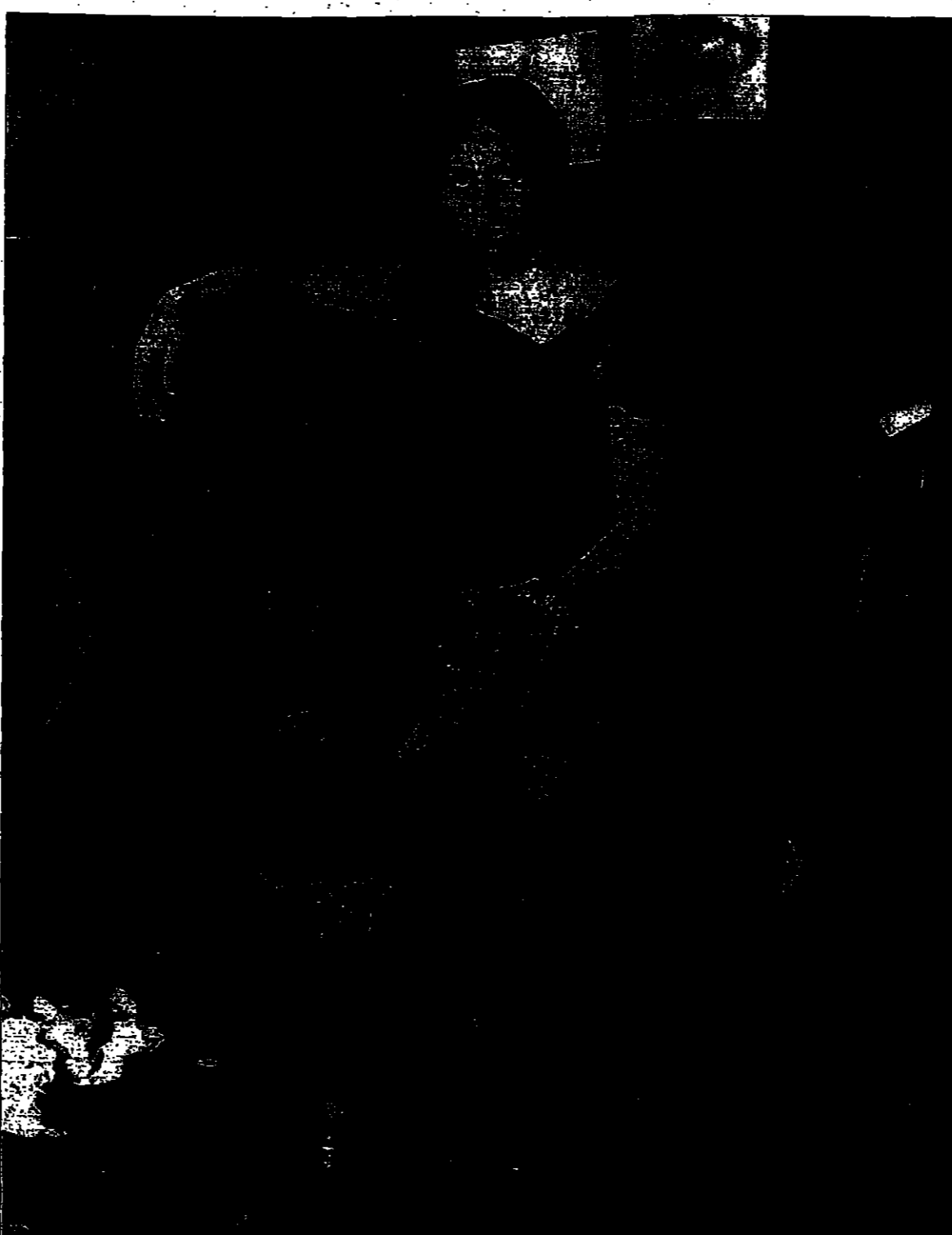
**EXHIBITION**  
Scottish National Portrait Gallery  
Tel: 44-131-624 6200  
John Ruskin: exhibition exploring the influence of the Victorian critic and theorist. Includes drawings, watercolours and photographs; to Mar 7

FORT WORTH

**EXHIBITION**  
Kimbell Art Museum  
Tel: 1-817-3328451  
www.kimbellart.org  
Matisse and Picasso: A Gentle Rivival. More than 100 paintings, sculptures and drawings on loan from collections around the world make up this first-ever exhibition devoted to the relationship between the two great modernists; to May 2

GLASGOW

**OPERA**  
Scottish Opera, Theatre Royal  
Tel: 44-141-532 9000  
● Der Rosenkavalier: by R. Strauss. New staging by Richard Armstrong, conducted by Richard Armstrong. The cast includes Joan Rodgers; Feb 13, 18  
● The Magic Fountain: by Delius. Conducted by Richard Armstrong in a new staging by Aiden Lang, with designs by Ashley Merth-Davis;



'Oiga Khoklova in the Montreux Studio', by Picasso, in an exhibition at the Barbican Art Gallery, London

Feb 20

HOUSTON

**EXHIBITION**  
Museum of Fine Arts, Houston  
Tel: 1-713-639 3375  
www.mfa.hou.org  
Brassai: The Eye of Paris. Retrospective of the photographer's work that coincides with the 100th anniversary of his birth. Dubbed 'the eye of Paris' by Henry Miller, Brassai celebrated the city in photographic series like 'Dance', 'Society' and 'Griffiti'. This show includes the 'Paris at Night' photographs taken during nocturnal wanderings with the flâneur and poet Léon Paul Fargue; to Feb 28

**THEATRE**  
Houston Grand Opera, Wortham Center  
Tel: 1-713-227 2787  
www.hgo.com  
A Little Night Music: by Sondheim. Grant Gershon conducts a production by Michael Leeds, with a cast including Frederica von Stade, Thomas Allen and Sheri Greenawald; Feb 14

LAUSANNE

**EXHIBITION**  
Musée Cantonal des Beaux-Arts  
Tel: 41-21-912 8332  
Courbet - artist and promoter: more than 70 paintings by Gustave Courbet (1819-77), including landscapes, portraits and nudes. The exhibition concentrates upon Courbet's artistic output after 1855, especially during his exile in Switzerland; to Feb 21

LEEDS

**THEATRE**  
West Yorkshire Playhouse  
Tel: 44-113-213 7700  
The Tempest: by Shakespeare. Jude Kelly directs a cast including Ian McKellen as Prospero, with designs by Robert Innes Hopkins

LILLE

**EXHIBITION**  
Palais des Beaux-Arts  
Goya: an regard libra. Small-scale exhibition which explores the range and peculiarities of the painter's work. The 50 works on display include loans from around the world; to Mar 14

LONDON

**CONCERT**  
Barbican Hall  
Tel: 44-171-638 8891  
London Symphony Orchestra: conducted by Myung-Whun Chung in works by Rachmaninov, with piano soloist Jean-Yves Thibaudet; Feb 18

EXHIBITIONS

**Barbican Art Gallery**  
Tel: 44-171-638 8891  
● Africa by Africa: A Photographic View. Spanning the breadth of photography produced in Africa since the 1920s. Includes works by Mama Cassel, Seydou Keita and Samuel Fosso; to Mar 28  
● Picasso and Photography: The Dark Mirror. Exhibition exploring the influence of photography on Picasso's work; to Mar 28

**British Museum**  
Tel: 44-171-636 1555  
The Golden Sceptre: Stamford Rafters and the East. Display bringing together biographical material with objects collected by the self-taught scholar who is chiefly remembered as the founder of Singapore: includes musical

instruments, masks and shadow puppets collected by Raffles when he was Lieutenant Governor of Java (1811-16); to Apr 18

**National Gallery**  
Tel: 44-171-639 3321  
Portraits by Ingres: Images of an Epoch. 40 paintings and 50 drawings by the 19th century French painter. Includes major loans from museums in France, the US and elsewhere; to Apr 25, then touring to the US

**Royal Academy of Arts**  
Tel: 44-171-300 8000  
Monet in the 20th Century: arriving in London from Boston, this exhibition brings together late works by the founder of Impressionism. The 80 paintings on display include important public and private loans, culminating in a group of seven of the monumental water lily panels which were the triumph of his career. Also included are paintings of London and Venice; to Apr 18

**OPERA**  
English National Opera, London Coliseum  
Tel: 44-171-632 8300  
La Traviata: by Verdi. Michael Lloyd conducts a revival of Jonathan Miller's production, with a cast including Claire Rutter and Alan Opat; Feb 16, 19

**THEATRE**  
Albany Theatre  
Tel: 44-171-928 1740  
Vassia: by Maxim Gorky. Howard Davies directs Peter Gill's new version of the Russian comedy, with Sheila Hancock in the title role

**Barbican Theatre**  
Tel: 44-171-638 8891  
● The Merchant of Venice: by Shakespeare. Royal Shakespeare Company production directed by Gregory Doran with designs by Robert Jones. The cast stars Philip Voss; in repertory to Mar 9

**EXHIBITION**  
Bridgewater Hall  
Tel: 44-161-907 9000  
Michael Pietnev: recital by the pianist of works by Chopin, Grieg and Schumann; Feb 17

**MILAN**  
**EXHIBITION**  
Palazzo Reale  
Tel: 39-02-8691 5738  
L'Anima e il Volto: (The Soul and the Face); major exhibition of portraiture, comprising 370 works ranging over 400 years. Artists represented include Titian, Caravaggio, Van Dyck, Picasso and Francis Bacon; to Mar 14

**OPERA**  
La Scala  
Tel: 39-02-88791  
La Forza del Destino: by Verdi. Conducted by Riccardo Muti in a staging by Hugo de Ana, with a cast headed by Inés Salazar and José Cura; Feb 16

**MUNICH**  
**CONCERTS**  
Philharmonie Gasteig  
Tel: 49-89-5481 8181  
● Munich Radio Orchestra: conducted by Leopold Hager in works by J. Strauss; Feb 14  
● Prague Symphony: conducted by Tomáš Kouřil in works by Dvorák and Mendelssohn-Bartholdy, with violin soloist Pavel Šporc; Feb 19

**EXHIBITION**  
Haus der Kunst  
Tel: 49-89-211270  
Piccino's Theatre  
Tel: 44-171-389 1734  
Fijmena: by Eduardo de Filippo, translated by Timberlake Wertenbaker. Peter Hall directs Judi Dench and Michael Pennington; in repertory to

Feb 27

LOS ANGELES

**CONCERT**  
Dorothy Chandler Pavilion  
Tel: 1-213-972 8001  
Los Angeles Philharmonic Orchestra: conducted by Esa-Pekka Salonen in the world premiere of John Adams' Native and Sentimental Music, and works by Haydn and Schumann; Feb 19, 20, 21

**EXHIBITION**  
Los Angeles County Museum of Art  
Tel: 1-213-857 6000  
Van Gogh's Van Goghs: Masterpieces from the Van Gogh Museum, Amsterdam. Display of 70 paintings on loan during the period of the Dutch Museum's renovation, transferring to LA from Washington. Ranging across the artist's career, the show includes masterpieces such as Potato Eaters (1885) and Wheatfield with Crows (1890); to May 16

MADRID

**EXHIBITIONS**  
Fundación Juan March  
Tel: 34-91-435 4240  
Marc Chagall: Jewish Traditions. 40 paintings by the Russian-French painter, produced between 1909 and 1976; to Apr 11

**Thyssen-Bornemisza Museum**  
Tel: 34-91-4203 944  
El Greco: Identity and Transformation. Focusing on the years 1560-1600, this exhibition follows the artist's early apprenticeship in Crete and Italy, in an attempt to shed light on his subsequent 'Spanish transformation'. The 80 works on display include major public and private loans; to May 16, then travelling to Rome and Athens

MANCHESTER

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**EXHIBITION**  
Haus der Kunst  
Tel: 49-89-211270

Angelika Kauffman (1741-1807): retrospective of works by the Swiss decorative artist, who was a founder member of London's Royal Academy. Includes paintings, drawings, prints and porcelain; to Apr 18

NEW YORK

**DANCE**  
New York City Ballet, New York State Theater  
Tel: 1-212-870 5570  
Celebrating Five Decades of Repertory: continuing 50th anniversary celebrations; Feb 13, 14, 16, 17, 18, 19

**EXHIBITIONS**  
Guggenheim Museum  
Tel: 1-212-423 3500  
www.guggenheim.org  
● Jim Dine: Walking Memory, 1959-1969. More than 100 works make up this survey of the American artist, including photographs, paintings and performance pieces; to May 16  
● Picasso and the War Years 1937-1945: more than 75 works - paintings, sculpture and works on paper - which together explore Picasso's response to the period which began with the Spanish Civil War and ended with the liberation of France. Includes major public and private loans; to May 9

**Metropolitan Museum of Art**  
Tel: 1-212-879 5500  
www.metmuseum.org  
● Cubism and Fashion: examining the ways in which Cubism has been translated into fashion. The 40 examples on display include work by Gabrielle Chanel; to Mar 14  
● Dosso Dossi, Court Painter in Renaissance Ferrara: Dosso Dossi, the last of the Ferrarese painters, was much influenced by Giorgione and Titian. This exhibition includes rarely lent masterpieces from the Borghese Gallery in Rome and other European collections; to Mar 28

**OPERA**  
Metropolitan Opera, Lincoln Center  
Tel: 1-212-362 6000  
www.metopera.org  
Moses and Aaron: by Schoenberg. Conducted by James Levine in a staging by Graham Vick, with sets and costumes by Paul Brown. Cast includes Philip Langridge and John Tomlinson; Feb 17

**THEATRE**  
Classic Stage Company  
Tel: 1-212-239 6200  
The Misanthrope: by Molière, in a new version by Martin Crimp starring Uma Thurman and Roger Rees; opens Feb 16

**Curt Theatre**  
Tel: 1-212-239 6200  
The Blue Room: Sam Mendes directs Nicole Kidman and Ian Glen in David Hare's new version of Schintler's La Ronde, transferred from London's Donmar Warehouse

**Ethel Barrymore Theatre**  
Tel: 1-212-239 6200  
Electra: Zsófia Vannamaker plays the title role in David Leveaux's production of Sophocles' tragedy, in a new version by Frank McGuinness

**Gramercy Theatre**  
Tel: 1-212-777 4800  
Ashes to Ashes: Karel Reisz directs Lindsay Duncan and David Strathairn in Roundabout Theatre Company's staging of Harold Pinter's new play

**Laura Pels Theatre**  
Tel: 1-212-719 9300  
The Minola Twins: by Paula Vogel. Black comedy, directed by Joe Mantello. Starring Swosie Kurtz as the twins; opens Feb 18

**Majestic Theatre, Brooklyn Academy of Music**  
Tel: 1-718-636 4100  
Blue Heart: by Caryl Churchill. Double-bill of two one-act plays, first seen at the Royal Court in London. The director is Max Stafford-Clark

**Manhattan Theatre Club**  
Tel: 1-212-581 1212  
Captains Courageous: new musical based on Kipling's yarn, directed by Lynne Meadow with music by Frederick Freyer. Cast includes Treat Williams and Brandon Espinoza; opens Feb 16

NEWCASTLE

**CONCERT**  
City Hall  
Tel: 44-191-261 2606  
Royal Liverpool Philharmonic Orchestra: conducted by Jun'ichi Hirokami in a programme of French music including Canteloube's Songs of the Auvergne and Berlioz' Symphonie Fantastique, with mezzo soprano Della Jones; Feb 19

PARIS

**CONCERTS**  
Salle Pleyel  
Tel: 33-1-4561 6589  
Orchestre de Paris: conducted by Christoph von Dohnányi in works by Donatoni, Bloch and Beethoven. With cello soloist Eric Picard; Feb 17, 18

**Théâtre des Champs Elysées**  
Tel: 33-1-4952 5050  
● Orchestre National de France: conducted by Jerzy Semkow in works by Haydn, Mozart, Mendelssohn and Schubert, with clarinet soloist Alessandro Carbonare; Feb 14  
● Orchestre National de France: conducted by Pinchas Steinberg in works by d'Indy, Saint-Saëns and Prokofiev, with piano soloist Jean-Philippe Collard; Feb 19

**EXHIBITION**  
Grand Palais  
Tel: 33-1-4413 1730  
Un ami de Cézanne et de Van Gogh: le docteur Gachet (1828-1906). Exhibition devoted to the doctor and painter who was a friend to Cézanne, Pissarro, Monet and Renoir as well as to Van Gogh, who famously spent the last weeks of his life with Gachet at Avers-sur-Oise; to Apr 26, then transferring to New York

**Musée du Louvre**  
Tel: 33-1-4020 5151  
www.louvre.fr  
Eternal monuments of Ramses II: New Theban excavations. Display of the latest archaeological findings from the Egyptian pharaoh's tomb; to May 10

**OPERA**  
Théâtre des Champs Elysées  
Tel: 33-1-4952 5050  
Opéra National de Lyon: Zelmira, by Rossini. Conducted by Maurizio Benini in a staging by Yannis Kokkos. The title role is sung by Mariella Davis; Feb 15, 17

PERUGIA

**EXHIBITIONS**  
Galleria Nazionale dell' Umbria  
Tel: 39-075 574 1247  
Beato Angelico and Benozzo Gozzoli: Renaissance Painters. Organised to mark the 500th anniversary of Fra Angelico's death, this show includes missing sections of his Politico dei Domenicani, lent by the Vatican so that the whole, restored polyptych can be seen in its entirety; to Apr 11

ROME

**EXHIBITIONS**  
Palazzo delle Esposizioni  
Tel: 39-06-474 5903  
Poesia: Early Years in Rome. Display of 41 works produced between 1824 and 1828. The contrapiece is 'The sacking of the temple in Jerusalem by Titus' (1826), commissioned by the Barberini family and rediscovered by Denis Mahon, the show's curator. Includes major public and private loans from Europe and the US; to Mar 1

**Palazzo Venezia**  
Tel: 39-06-841 2312  
'700 Veneziano: Capolavori da Ca' Rizzonico. Display of 18th century Venetian art, lent by the Venetian museum to the Palazzo Venezia, which once housed the city's ambassador to Rome. Includes works by Canaletto, Guardi, Longhi and Carlevaris, and Tiepolo's fresco cycle made for his villa at Zianigo; to Feb 18

SENDAI

**EXHIBITION**  
Miyagi Museum of Art  
The Carmen Thyssen-Bornemisza Collection: touring show of 94 paintings, ranging from the 18th century to the early 20th. Highlights include 19th century Spanish works and works by American painters; to Mar 14

TAMPERE

**EXHIBITION**  
Sara Hildén Art Museum  
Tel: 358-214 3134  
www.tampere.fi/hilden  
Tony Cragg: 33 sculptures and a large number of drawings by the British-born artist, now working in Germany. The works on display are from the period 1988-1998; to May 9

TOKYO

**CONCERTS**  
Sunory Hall  
Tel: 81-3-3584 9999  
● English Chamber Orchestra: conducted by Frank Peter Zimmermann in works by Holst, Mozart and Beethoven; Feb 13  
● NHK Symphony Orchestra: conducted by Evgeny Svetlanov in works by Prokofiev and Beethoven, with piano soloist Nikolai Petrov; Feb 17, 18  
● Tokyo City Philharmonic: conducted by Tajihiro Iinori in works by Vivaldi and Bruckner; Feb 15

VIENNA

**EXHIBITION**  
KunstHausWien  
Tel: 43-1-712 0495  
Jean-Michel Basquiat: Paintings and works on paper. 100 works on loan from the Mugarb Collection make up the first show in Austria devoted to the black-hispanic US artist, who died in 1988 at the age of 27; to May 2

WASHINGTON

**EXHIBITIONS**  
National Gallery of Art  
Tel: 1-202-737 4215  
www.nga.gov  
● American Impressionism and Realism: The Margaret and Raymond Horowitz Collection. 49 paintings and works on paper. Highlights include works by William Merritt Chase, Theodore Robinson and J Alden Weir; to May 9  
● Edo: Art in Japan 1615-1868. Consisting of almost 300 works, this exhibition provides a comprehensive survey of Japanese art produced during the prosperous and peaceful Edo period; to Feb 15

**OPERA**  
Washington Opera, Kennedy Center  
Tel: 1-202-295 2400  
www.do-opera.org  
Boris Godunov: by Mussorgsky. Conducted by Isaac Karabachevsky in the widely-travelled Tarkovsky staging, revived by Stephen Lawless. Samuel Ramey sings the title role; Feb 13, 15, 18

ZURICH

**EXHIBITION**  
Kunsthaus Zurich  
Tel: 41-1-251 6765  
Chagall, Kandinsky, Malevich and the Russian Avant-garde: exhibition exploring the artistic upheavals of the first two decades of this century. Includes important loans from the State Hermitage Museum in St. Petersburg and provincial Russian museums; to Apr 25

**Arts Guide** by Susanna Rustin  
e-mail: susanna.rustin@ft.com  
Additional listings supplied by Artbase, e-mail: artbase@pl.net

# Weekend Investor

Wall Street

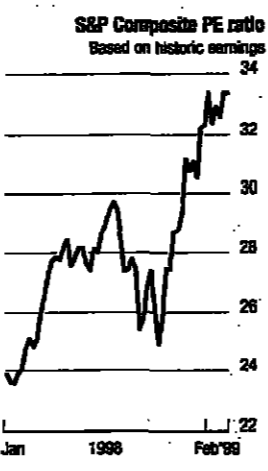
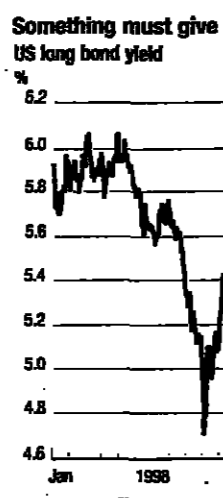
## Froth blown off the internet bubble

John Authers reports on a merger saga that could have wide ramifications

Internet stocks have been taking it in turn to bask in the spotlight. This week it was Lycos, a Massachusetts company based around a search engine - but for the wrong reasons.

Its attempt to merge with USA Networks, a conventional media company with interests in cable television shopping networks, already shows signs of developing into one of the defining sagas of the age.

Lycos is one of the few remaining search engines to have stayed independent. This was supposed to give it scarcity value and, thus, a hefty premium when it was sold. But that is not what happened.



Investors were forced to swallow their disappointment as Lycos recorded a fall of 26 per cent on the day the tie-up was announced. While the stock remains about 70 per cent higher for the year, it was still plain that Lycos executives who had negotiated the deal believed it was worth less than its market valuation.

The Lycos deal led to a sell-off in other internet stocks. Amazon.com, the leading e-commerce site, is now at almost half its level of early January (although still up more than tenfold for the year).

Yahoo!, the biggest search engine, has dropped by a third. At least one layer of froth has been knocked off the top of the internet bubble.

Ground rules for mergers and acquisitions, as well as valuations, are still unclear. Outside the internet sector, there are some more causes for concern. February has so far been a terrible month for the Treasury bond market.

The yield on the benchmark 30-year has moved upwards steadily through the week and stood yesterday at 5.5 per cent - up from less than 5.1 per cent at the beginning of the month.

There are good reasons for bond prices to fall. The economy is growing faster than thought, and this means that interest rates may rise. This is not normally unhealthy.

When bond yields rise, generally the price-earnings ratio paid for stocks will fall, as bonds now offer greater value in competition. Again, this is not usually unhealthy, but it should mean that share prices fall.

This is an unhealthy combination. According to Hugh Johnson, equity strategist at First Albany: "In a normal cycle, I never worry when the economy is expanding and interest rates are rising. That's the way the textbook was written. But, this time, corporate earnings aren't growing, and stocks are overvalued. Then the rise in interest rates becomes a problem."

Technology stocks provide further cause for concern. Several established companies have recorded results well ahead of expectations, led by Microsoft, the largest of them all. Semiconductor manufacturers have also done better than expected, profiting on the wave of computer sales at the end of last year.

But the overall market is too reliant on technology stocks. Companies such as Microsoft are far more strongly established than Lycos, but this week's gyrations in the Nasdaq Composite index, home of most of the largest tech stocks, are truly alarming - falling almost 4 per cent on Tuesday, and gaining more than 4 per cent on Thursday.

Swings like that show profound, and alarming, confusion over valuations. The fundamentals still suggest that valuations are too high.

**Dow Jones Ind Average**

Monday	9,291.11	-	13.13
Tuesday	9,132.03	-	158.08
Wednesday	9,177.31	+	44.28
Thursday	9,363.46	+	186.15
Friday			

London

## So many questions

Martin Dickson reflects on a topsy-turvy week

Can the slowing British economy achieve a soft landing? Or are those who believe this will happen

These questions have hung over the London market for the past week and provided an uncertain backdrop for some sharp changes in sentiment.

The first half of the week saw a mood of gathering gloom so that, by Wednesday, the FTSE 100 index had clocked up its sixth successive day of decline and a cumulative drop of 4 per cent.

On Thursday, though, the market rallied strongly and did so again yesterday morning, only to lose some momentum later in the day.

Wall Street, inevitably, was a powerful factor behind the gyrations.

The mood there has been equally volatile, with anxiety growing over the valuation of internet stocks and

concern that the strength of the economy will prompt the Federal Reserve to raise interest rates later in the year.

But the trend of domestic interest rates has also been much on the London market's mind.

When the Bank of England's monetary policy committee made a surprisingly aggressive cut in rates to 5.5 per cent on February 4, it left analysts wondering whether this had been prompted by a much blacker vision of economic prospects.

This week brought something of an explanation: the bank's latest quarterly report said it expected economic activity to be "close to zero" over the next two quarters, due to lower domestic spending and a weaker outlook for the world economy and UK exports.

Manufacturing is in an even worse position. Figures released on Tuesday showed

that its output fell 0.6 per cent in December, while 1998 produced the first year-on-year fall in the UK sales price of manufactured products since records began in 1968.

Worries about a UK recession are hardly new. Many companies have been preparing for the worst for months now.

In recent weeks, however, a more optimistic view of the outlook has been gaining support: that the economy will slow gradually to a soft landing, avoid outright recession and then pick up again.

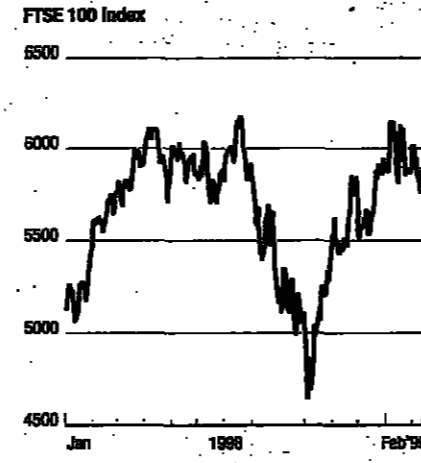
The bank's report added credence to this, predicting that growth should pick up again in the second half of the year and head to 2.75 per cent in the year to the first quarter of 2001.

The bank would not, of course, be drawn on the direction of interest rates, but the market is expecting a drop to 5 per cent by the

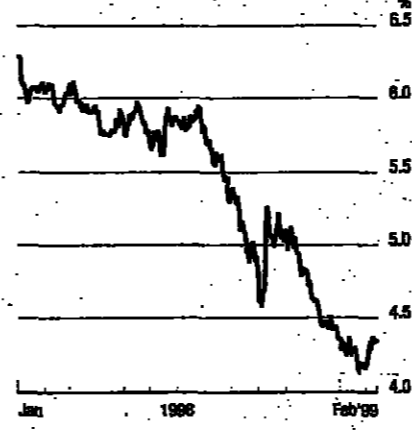


Mary Poppins had a soft landing: maybe not the Footsie

### Declining yields underpin the market



### 10-year benchmark bond yield



### Highlights of the week

	Price	Change	52 week	52 week	
	yield	on week	High	Low	
FTSE 100 index	5950.7	+85.4	6172.0	4648.7	Corporate earnings optimism
Bass	801 1/4	-40	1195	625	Profit-taking
Biffen	135 1/4	+20 1/4	187 1/2	98 1/4	Broker recommendations
BISys	585 1/4	+85 1/2	882	352	Strong subscriber figures
BT	1044 1/4	+117	1048	423	Better than expected figures
EM	408	-41 1/2	837	300	Profit-taking
First Leisure	226 1/4	+18	437 1/2	158	Bid talk
Ladbrokes	259 1/4	+28 1/4	370	180	Stable takeover benefits
Lloyds	382	+57	384 1/2	220	Broker recommendations
PC	61 1/4	-9 1/2	225 1/2	51	Disappointing figures
PowderJect	885	+187 1/2	902 1/2	232 1/2	\$100m US agreement
Rio Tinto (Rio)	837	+68	888	535	Broker recommendations
Statis	154	+13	180 1/4	75 1/2	Ladbrokes takeover
Unilever	576 1/4	+13	741	348 1/4	Recommendation
Vaux	287 1/4	+22 1/2	361	159	Bid speculation

end of this year, and perhaps even lower, on the assumption that inflation remains very subdued.

Equity bulls argue that an economic upturn later this year, coupled with further falls in bond yields as interest rates come down, should allow the market to make gradual headway, even if it remains overstretched by conventional yardsticks.

On top of that, the merger wave shows no sign of slowing, and that will keep pumping institutional cash back into the market.

The optimists were helped by some excellent results this week at the start of the reporting season, with shares in the bank Lloyds TSB shooting up nearly 10 per cent yesterday on better-than-expected figures.

The bank sector rose strongly on the results, with Barclays getting an extra filip from the appointment of a replacement for chief executive Martin Taylor, who resigned last year. The new man is a career banker, Michael O'Neill, from Bank of America.

British Telecommunications gained 11 per cent on Thursday on strong third-quarter figures, thanks to increased use of the Internet and increased calls to mobile telephones.

But how soundly based is this bullishness? The effects of disinflation, possibly ending in deflation, are far from clear, even though the consensus suggests that active monetary policy and UK plc's strong balance sheet will keep the economy fundamentally healthy.

However, in continental Europe, where interest rates are much lower than in the UK, there are already signs that economic growth is slowing.

And markets could be destabilised by further upsets in emerging markets or a big change of sentiment on Wall Street.

Nor does the London market seem particularly convinced by the optimistic scenario.

This week's gyrations apart, the FTSE 100 index has been moving in a fairly narrow band in recent weeks, seemingly underpinned at around 5,800 but unable to recapture its all-time high of 6,175.

By Thursday night, the Footsie was sitting almost exactly where it started the year, while the Mid-250 index was up 7 per cent and the SmallCap index had powered ahead by 8.4 per cent.

Factors behind the small stocks' outperformance include the defensive nature of many 250 companies and the sudden takeover boom among little companies, where valuations have been left behind in the fashion for the big blue chips.

Another sign of possibly deeper market uncertainty is the remarkable share price movements of Lloyds TSB and BT following their results.

Such big jumps on routine corporate news events by such large-capitalisation stocks are unusual. Might that suggest a market that is unusually badly informed or irrational, or maybe a touch of both?

## Corporate radar.

FINANCIAL TIMES No FT, no comment.

Barry Riley



## Pensioners' purgatory

It could get even tougher for senior citizens

Out there in Eastbourne and Harrogate, the natives are growing restless. My postbag reflects the alarm among Britain's pensioners. "My income has been reduced by 15 per cent," complains one senior citizen, writing even before the latest rate cut. Another suggests, bitterly: "Interest rate reductions are a crude instrument for economic control."

High-interest savings accounts now yield only in the region of 5.5 per cent, compared with 7.5 per cent last summer, and this week's Bank of England inflation report left open the possibility of further cuts. The gross return on popular high street passbook accounts is less than 3 per cent already. The very next interest rate cut from the Bank of England could take bank base rates down to 5 per cent, the lowest since 1971.

Already, the yields on long-dated UK government bonds (gilts) have fallen to 4.4 per cent, the lowest since the 1950s. This is reflected directly in annuity rates, so that £100,000 now will buy an annual income of perhaps £5,500 for a woman of 60, about 14 per cent less than a year ago.

There is a big debate about whether people should save for their old age, but almost no discussion of the annuity rates they should receive. Is the government cutting its borrowing costs largely at the expense of the nation's elderly?

My correspondents appear to be oddly well-informed about the still-worse plight of Japan's pen-

sioners. And although it seemed that Japanese interest rates could not fall any further, yesterday, astonishingly, they did.

Insolvent occupational pension schemes have been cutting pensions in payment. The next crisis for Japan's savers will involve the maturity in 2000 and 2001 of 10-year post office accounts, which were taken out on a vast scale (the equivalent of more than £500bn) in the early 1990s to yield 6 or 7 per cent. The reinvestment rate will be 2 per cent if savers are lucky.

You could, though, argue that to have enjoyed 7 per cent income on a risk-free investment in a zero inflation economy has represented the most amazing good fortune. UK pensioners, too, tend to protest too loudly. Too often, they ignore fundamental investment principles.

One is that long-term savings should not be held in short-term accounts. In the UK they often are, because savers have been misled by persistent monetary mismanagement which has produced a persistent distortion - namely, the reversed or downward-sloping yield curve. This aberration finally will disappear later in 1999.

Another principle is that investments should not be judged by simple interest but by a more fundamental measure: the real total return net of tax. For savings accounts, this means the interest rate after tax less the inflation rate (securities will have capital gains or losses to be added in, too). If you look at savings this way it turns out that, historically, the real threat

to nest eggs has come from high inflation. In 1976, building society savers were receiving 7.5 per cent interest after basic-rate tax, but were hit by 26 per cent inflation. That added up to a net real return of minus 14 per cent.

According to the CSFB equity-gilt study, which tracks long-term investment returns, a typical building society account (since 1986, the Leeds/Halifax Liquid Gold) has delivered an average annual net real return of just 0.3 per cent during the past 20 years. Higher-yielding, if less liquid, products are readily available. And today's Liquid Gold savings rate is only slightly below average in real terms. The eye-catching nominal rate, however, is very much lower: 2.3 per cent against a 20-year average of 6.3 per cent.

There are fond memories of purple patches for the high street investor. In the late 1980s, and again in the early 1990s, nominal net rates topped 7 per cent and real rates hit 3 or 4 per cent. Pensioners should, however, recognise these periods as freakish. They reflect in one case the end of the (Nigel) Lawson boom (while he was chancellor of the exchequer) and, in the other, the Bundesbank's squeeze imposed during the UK's membership of the exchange rate mechanism.

Grumpy Victor Meldrew types should cheer themselves up by focusing instead on the low level of inflation. Soon, the headline rate, now 2.5 per cent, will (thanks to cheaper mortgages) sink far below the underlying rate that the Bank targets at 2.5

per cent. The underlying rate also is likely to undershoot, although the Bank does not say so because it cannot conceive the possibility that it might miss its target.

In conditions of low inflation and weak economic growth, high street savings accounts will never give a significant real return. They can offer safety and convenience only. The inflation illusion has deceived savers into hoping otherwise. In fact, pensioners must now be prepared to live off their capital explicitly rather than have inflation do it for them by stealth. This, after all, is the principle of traditional annuities, conceived in an era of zero inflation.

Viewed from Eastbourne in mid-winter, though, it all seems so monstrously unfair. The UK economy is being run to benefit the young, with their ever-cheaper mortgages and credit cards. Newspaper front pages each month gleefully celebrate the impoverishment of the saver. Meanwhile, the cost of long-term care is rising rapidly, whatever the general RPI statistics may say.

But there is another side to this. People who have financed their retirement through long-term savings have had excellent returns. It is less likely, however, that the generation below them will be so lucky. The stock market cannot continue to return 12 per cent a year in real terms, as UK equities have since 1975.

Such people do not suspect it yet, but theirs might be the real hard luck story.

WEEKEND INVESTOR

In the Pink

Why annuity rates are likely to stay low

Returns are not likely to improve, argues Michael Hughes

Michael Hughes is a director at Baring Asset Management

Last summer brought a new financial epidemic. Falling equity prices and reduced annuity rates had a severe impact on the financial health of those who were retiring...

Therefore, the latest phase of interest rate reductions - which, in all probability, has further to run - supports present valuations above this norm...

Measures of each of these components are difficult to gauge. But we can use a series of guidelines to help orient us in the right direction...

To start with, we would expect real bond yields to remain below the long-term growth rate of the economy (2 1/2 per cent)...

And have we moved into a world in which the trade-off between economic growth and inflation has improved to a degree that supports a higher valuation basis for markets?

Past relationships support the idea that price-earnings ratios between 15 and 20 can be sustained if the ratio of economic growth to inflation can stay about 1.5...

But there are good reasons to believe that inflation will be much lower over the medium term. The global economy has had a series of supply shocks during this decade...

Indeed, on the basis of the above figures, a p/e valuation of about 15 times could be justified as the "fair" valuation norm...

But the arguments developed here have established that, even if inflation averages about 2 per cent over the medium term, those retiring now should not be put off accepting present annuity rates...

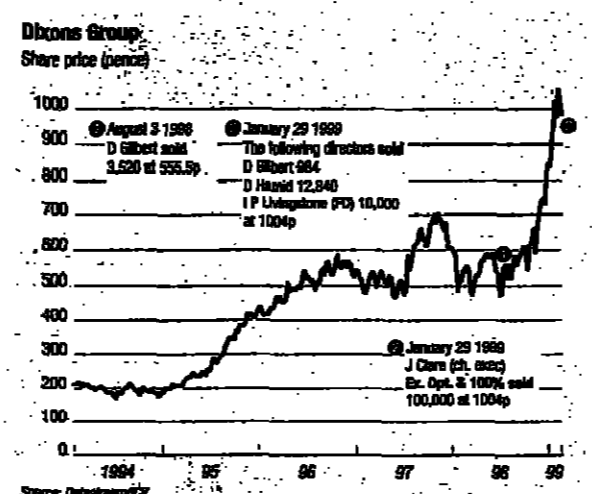
Directors' dealings Interior designers in purchase

Directors have become much less active lately, with volume of trade falling particularly low as many companies enter their closed period ahead of results in March...

Within a month, in mid-January, he spent £28,000 on shares, and has just acquired another 100,000 at 56p. Amberley produces specialty chemicals and minerals...

Bids and deals Crying foul

The Independent Television Commission has called for a halt to British Sky Broadcasting's proposed £623m takeover of Manchester United football club on the grounds that it could distort the free market in broadcast rights to matches...



Directors' share dealings Transactions by own companies: Feb - Dec, February 1999

Table with columns: Company, Value of bid, Market price, etc. Lists various companies and their financial metrics.

Table with columns: Company, Sector, Shares, Value, No of directors. Lists companies like ARM Holdings, WT Foods, etc.

Table with columns: Company, Sector, Year, Pre-tax profit, etc. Shows financial results for various companies.

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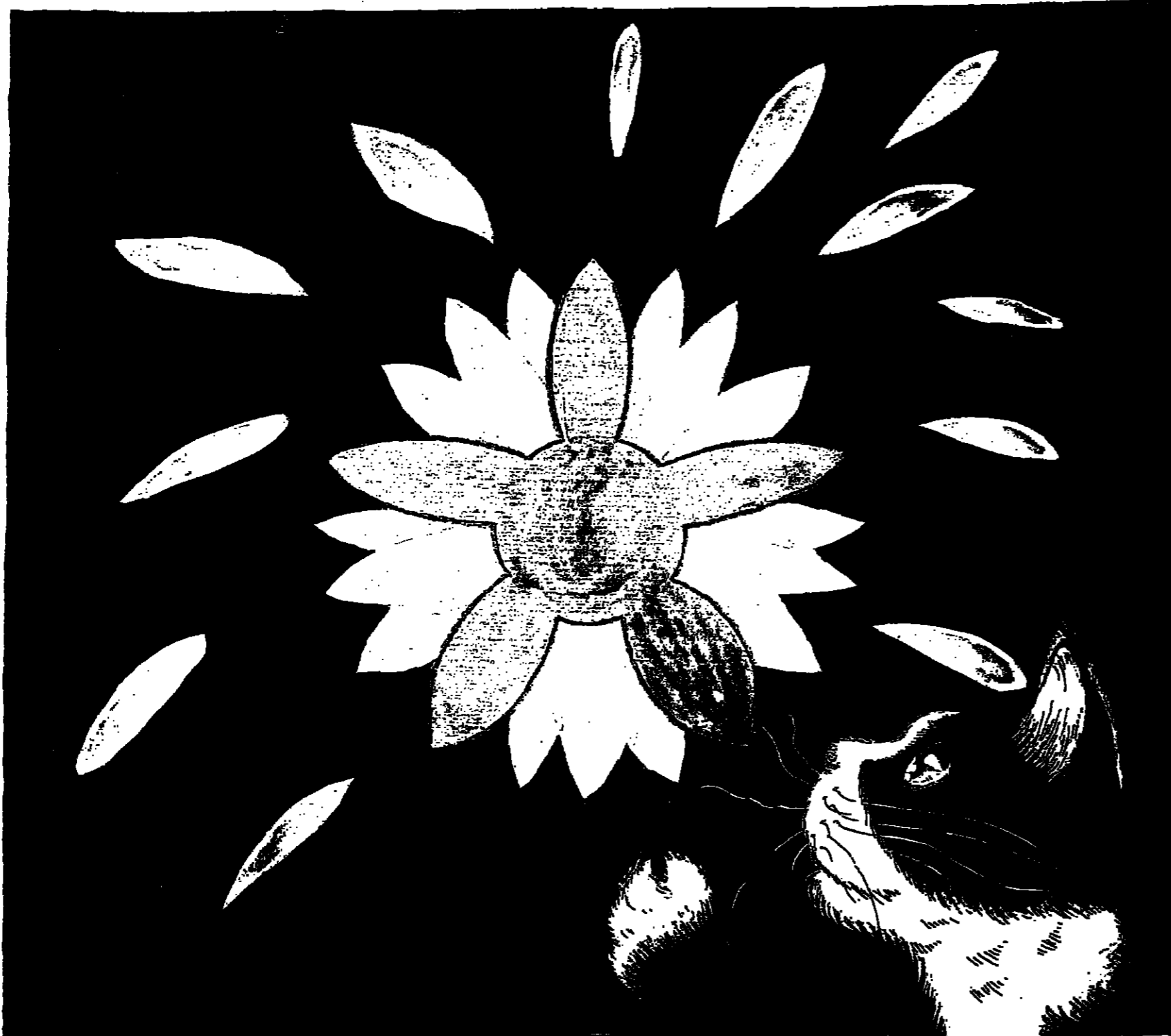
Table with columns: Company, Sector, Dividend, etc. Lists dividend information for various companies.

Aim Fishers hooks Pycraft Arnold. Fishers International, which provides support services to the insurance and finance industries, has made a recommended offer for Pycraft Arnold...

GO OFFSHORE UP TO 6.30% GROSS P.A. GET EXTRA OFFSHORE EXTRA FROM YORKSHIRE GUERNSEY. Only 60 days' notice for withdrawals without loss of interest. One penalty-free withdrawal per year.

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## FT WEEKEND



Arcadia

## Tet's traditional tyranny

The festival's rituals are certainly not to the taste of every Vietnamese, writes Jonathan Birchall

In the flower market in Hanoi's old quarter, the pre-holiday frenzy is at its height. Tough-looking market women brandish arm-length branches of dark red apricot blossom. Eager shoppers struggle to carry waist-high miniature trees laden with small orange fruits. Enormous bundles of luminous yellow chrysanthemums explode with colour beneath seasonably grey skies.

When Vietnam begins the great lunar new year holiday of Tet on Tuesday, the apricot blossom will be on display in homes across the city, to symbolise the coming spring. The fruit-laden kumquat trees will have been given as gifts, representing hopes for prosperity in the coming Year of the Cat (not to be confused with China's forthcoming Year of the Rabbit).

And the yellow chrysanthemums will be just pretty to look at, as the rush of shopping and cleaning and house-painting gives way to long, slow days of eating and drinking and general conviviality.

"Tet," says my Vietnamese-foreigners textbook, "is the most important festival in Vietnam, an occasion for the family to be together, in order to welcome the spring with flowers, fire-crackers and with delicious food."

The fire-crackers sadly are now gone, banned by the authorities for safety reasons several years ago. The special Tet food is also not universally hailed as delicious - particularly *banh chung*, a square cake of bean paste, glutinous pork fat, fermented fish sauce and sticky rice, all

wrapped in banana leaves.

Last Tet, a Vietnamese friend sheepishly admitted she didn't really like *banh chung*, while loading more on to my plate. "It's traditional," she said, apologetically. Indeed, according to tradition, the cake was first made 2,000 years ago by a prince of the Hung dynasty. For Hanoians, eating it at Tet comes close to a national obligation. But then Tet in Hanoi is very much about celebrating Vietnamese cultural identity, something not always directly related to having fun.

In his office overlooking the city's Lenin Park, Tran Quoc Chiem is also getting up for Tet. Quoc Chiem might be considered one of the guardians of Vietnam's culture; he is well known in Hanoi as a leading performer of the traditional popular drama known as *cheo* (pronounced *chay-oh*), a blend of music, songs and drama which has deep roots in the north of Vietnam.

Now in his 40s, he has the well-fed look of a successful Vietnamese businessman, an impression heightened by a strident silk shirt and a large gold watch on his wrist. His business card announces him to be an "eminent artist".

"*Cheo* was traditionally performed in the villages at special festivals, and especially during the spring time and Tet," he told me over tea. "And in Hanoi now, the Tet period is a good time for people to come and see *cheo*."

According to Huu Ngoc, octogenarian author of *Sketches for a Portrait of Vietnamese Culture*, and Hanoi's leading official cultural critic, watching *cheo* is as

much an essential part of Vietnam's unique cultural identity as eating *banh chung*.

"*Cheo* was born around the 10th or 11th century, in the cradle of our culture," he said, in deliberate English accented with a mix of Vietnamese and French. "That is to say in the Red River Delta, because authentic Vietnamese culture was, as you know, born in the north. *Cheo* is

A friend admitted she didn't really like *banh chung*, while loading more on to my plate

the spirit of the common people, that is to say of the Vietnamese peasants."

Eminent artist Quoc Chiem himself recalls seeing his first *cheo* performance as a young boy in the threshing yard of his home village in the northern province of Thai Binh during the 1960s. "In my village everyone knew how to perform and act in *cheo*."

He went on to study at the school for traditional performing arts in Hanoi, and to rise to the top of the profession. Back in the 1970s and 1980s, in the days before the coming of the market economy and the joys of karaoke and video, hundreds of people

would turn out in Hanoi to see Quoc Chiem perform, in dramas such as "Thi Mau goes to the Pagoda," a tragic but comic tale of virtue not rewarded, and "Tam Cam," a familiar story involving an ugly step-sister, a handsome prince and a missing shoe.

With its earthy humour, and a tradition of ridiculing unjust landlords, *cheo* has always been the darling of the ruling Communists, with dozens of officially backed *cheo* groups nominally in existence throughout the northern provinces.

There is even supposed to be an Armed Forces *cheo* group - their performances presumably wrapped in official secrecy - while Huu Ngoc recalls that sometime in the 1970s an East German playwright produced a *cheo* version of Bertolt Brecht's *Caucasian Chalk Circle*.

But *cheo*, like *banh chung*, is also struggling to please the increasingly material tastes of urban Hanoi. The city's main *cheo* theatre, on Hanoi's Kim Ma street, was shuttered and closed soon after its opening in 1994, the victim of unspecified "structural" problems. Shows are instead theatricaly scheduled for three nights a week in a small hall beneath Quoc Chiem's office. But they only take place if at least eight tickets are sold, which does not always happen.

While foreign tourists go by the bus-load to see twice nightly performances of the famed Hanoi Water Puppets, *cheo* is lucky to get a crowd of 20, most of them inevitably foreigners. "*Cheo* performance is challenging because it involves dance, singing and

acting," one young woman performer told me. It also involves coping with an audience which does not get the jokes.

"I know that these days people, especially young people, have started listening to lots of rock and rap music. But this is a new-fangled thing," said Quoc Chiem gamely. "And I think that they will eventually want to come back to what is traditional and they'll come back to *cheo* again. Sometimes it makes people feel better when they listen to this kind of traditional music."

Perhaps he is right. The continued existence of *banh chung*, for example, is a testament to the longevity of Vietnamese cultural icons. In the meantime, 80 per cent of the *cheo* group's funding comes from the state, and the Communist party has stressed its commitment to preserving "cultural heritage".

And this Tet, the party is already demonstrating its interest. On the street outside my house a new poster appeared ahead of the holiday, courtesy of the local people's committee, which is responsible for ensuring the neighbourhood's social and political well-being.

The poster features hand-painted pictures of a woman in traditional Vietnamese dress, a coloured Tet festival flag, and an old stringed musical instrument, with the inspiring slogan: "Building an advanced Vietnamese culture is the essence of national identity." *Cheo* might no longer appeal to the popular taste. But its survival in the Year of the Cat and on into the 21st century is now official party policy.

Metropolis

## Cheap ballet but not many buns

Andrew Jack in St Petersburg tries living on the legacy of communism

You don't immediately get the impression that Misha and Ekaterina are victims in Russia's economic crisis. They have a two-room apartment in St Petersburg, a car, even a video recorder and a compact disc player - a remainder of when times were better.

It is little things that reveal how their life has become tougher over the past few months. Ekaterina does not make fresh tea each time she wants a drink. She pours half a cup of a cold, stale brown brew from the large pot, and tops it up with fresh boiled water.

"Everything is expensive," she says, puffing on the single cigarette to which she has rationed herself that evening. "All the prices have gone up at least three times in the past few weeks. It's difficult to buy anything."

She gave up working when Nastia, her daughter, was born three years ago. Now, there is little chance of finding other employment. Her husband Misha had a steady job with a company exporting jam. But in the weeks after the collapse of the rouble last August, he was put on an extended "holiday". Since then, he has scraped along, buying and selling things, running occasional errands.

In some ways, the couple are lucky. Communism - and their parents - left them with the basic essentials of modern urban subsistence living. The flat may hardly be inspiring. It has not been redecorated since the 1970s. It stands in a bland northern suburb of St Petersburg, 15 minutes walk from the last stop on the metro, on the ninth floor of a graffiti-covered block that is all but indistinguishable from its neighbours.

But it costs them next to nothing to rent, and the heating works - even if it is centrally controlled and impossible to regulate. Their parents help out with a little money from time to time. The couple do not express outrage at their condition, just resignation accompanied by periodic bouts of gloom about the future.

In the centre of town, lined with its tastefully renovated historic buildings, the signs of despair are even harder for an outsider to spot at first. True, you can see a world-class opera or ballet for about a pound - but that was always the case. The sign saying "Sorry, we're full of customers. Come back later" sits neglected by the door of one near-empty fur-coat showroom. But there are people on the streets, and food and luxury items in the shops.

The crisis has brought into ever sharper contrast the difference between those who have money and those who do not. Flashy Mercedes driven by "New Russians" speed past with little regard for other cars - or for pedestrians crossing the road. Bodyguards in sunglasses pick up their bosses' daughters from school.

In an exclusive shopping centre on the Nevski Prospekt, men in sharp suits stand by detectors, as much to prevent "undesirables" going in as to intercept potential shop-lifters coming out. Those that they allow to pass have the privilege of seeing expensively-framed photographs decorating the walls, artistically but safely portraying in two dimensions homeless and begging Russians.

An old woman in a bakery carefully counts out her kopeck coins to see if she can just afford a three-rouble bun, as a young man behind her tuts impatiently. Outside, makeshift shoe repair booths do a better business than the adjacent shops selling leather shoes.

In an old apartment just off Nevski Prospekt, "Andrei" and "Natasha" are also getting by. They survive with what they have, living off reserves. They have not bought new clothes in a long time. In the cramped bathroom, with its plastic seat and cracked bowl, is a modest decoration: a picture taken from the 1994 calendar produced by a Chinese import company.

They look back with more than a little nostalgia on the Soviet period, and still call their city Leningrad. He is a professor at a local university, she is a museum curator. With their parents' support, they were able to buy their flat in the early 1990s. "I don't see how we will ever have the money to renovate the apartment," says Natasha.

"Before, no one talked about money. Now they talk about little else." She is constantly

The crisis has drawn an even sharper contrast between those with money and those without

scrutinising prices, leaving shops where she can no longer afford to go. The meals she serves use basic ingredients, but are imaginatively decorated and well presented with herbs and brightly-coloured vegetables. She was able to gather mushrooms in the forest recently when they were given a lift by "new Russian" friends in their car.

Andrei says that he goes to a restaurant perhaps once a year. It pains him to accept an invitation to a ballet, a pastime he adores but has not attended for years "because there is so much suffering, so many people around us without anything". There is a quiet dignity among some of the other Russians in the audience, dressed in old but smart clothes, some presenting a single - but expensive - flower to the performers at the end.

Natasha and Andrei's lifestyle has been gradually declining for far longer than just since August - when their \$40 a month salaries were last paid. The real value of their earnings - and their status - has been dropping ever since the fall of communism. They carry from the period an enormous pride in their city, and a rich knowledge of history and literature from the west as well as the east.

Since then, they have equated Russian-style democracy of the 1990s with corruption. A political acquaintance was murdered recently; and Natasha found a neighbour shot dead outside his apartment.

But they accept their situation with a certain resignation. And they get by. Things have been worse in the past. And they may well be worse again.

Modern Life

## The old ice-cream and jelly routine

Don't fall for it, says Susanne Glass. She got toast when her tonsils came out

They promise you ice-cream and jelly. "Tonsils at your age," they say. "I had mine out when I was five. But it's a nothing of course. Hardly an op at all." That's when they promise the ice-cream and jelly.

This new year, alongside a pledge to get my tax returns in on time and give up chocolate in the morning, the removal of the rotting offenders was my resolution. It has been my new year's resolution since 1993.

"A decade," said the ear, nose and throat man last December looking up his notes. I did almost brave it in January 1991. I checked myself into hospital and 30 minutes later at the sight of the white paper knickers they make you wear for surgery I checked myself out.

The surgeon forgave me, even greeted me with a smile on the 35 occasions I visited him complaining between then and now. He said: "It's the tonsils... they really ought to go. You'll be sore afterwards, but we'll make a new woman of you. Why don't you go along to my secretary's room and

book a date?" And I would say: "Yes, I'll do just that." Then I would slink past the secretary's door and escape on to Harley Street until the next charade.

Every year for me was the Year of the Tonsils. I pledged and I promised through bouts of tonsillitis to have them removed. My friends ceased to believe me. They said I had a crush on the ear, nose and throat man and wanted to keep going back in my car mirror I examined them. I was stopped by a policeman for loitering and forced to explain. "They'll give you ice-cream and jelly," he said.

What they actually give you is crisps and toast. I know because I did it. On New Year's eve I hired to a friend I might. He said: "I'd bet my entire fortune

that you won't." We had £100 on it.

I called another friend. A doctor. I asked if he thought I should do it. He said Yes. I asked why. He said: "You're in a rut. You have to change the record. We all have to change the record from time to time."

At 5pm on January 4 I called the surgeon's secretary and said: "I don't suppose he could whip them out tomorrow?" She said: "I'll call the hospital. I'll check if there's a bed." I hoped there wouldn't be. There was.

She said: "Be there at 7.30 in the morning, unless of course you change your mind." That night I dreamt of vanilla fudge ice-cream. It tasted off.

We have these random ways of checking if our decisions are the

right ones. I stepped out of my house in the early morning half-light. There was an empty taxi passing my front door. This was meant to be.

One sight of the white paper knickers and I checked myself out

They prepared me for surgery. The paper knickers again. That green gown with the slit at the back. A pair of foam slippers. The sister said: "I hear you ran away

last time. Can we offer you a little something to calm the nerves?" I declined. I didn't want to lose control.

They left me alone - until later when they knocked and called my name. I walked down the stairs to the theatre. Everything was green and silver. Above his mask the surgeon's eyes smiled. He held out his arms. "We've got you at last."

I hoisted myself up on to the slab. I didn't even notice the woman to my left until the surgeon said: "Tell the anaesthetist the story of your novel." My ego kicked in even then. Someone was prepared to listen. I got to the first strand of the plot. The darkness rose and I was gone.

I was resurrected and the after-

math crept up on me. No soreness this, but a scorching Red hot poker of agony down the throat.

They don't tell you about tonsils as a grown-up like they don't tell you about labour. You can't speak but you can groan. You scribble notes and gesticulate. You taste the trauma of life without a voice. They inject you and you fly. They send you home with bags of potent Smarties to cut the pain. They tell you to eat toast and crisps and chew gum.

But I regress. I ask for the ice-cream. My mother cuts the toast into tiny squares. I turn my head away. My father walks into the room. He says: "You have to drink." He doesn't know what it feels like. He had his tonsils out at six, not 36. The opium in the drugs takes over. Anything is

allowed. At three in the morning I pour the glass of water over my father's head.

I lie there for 10 days and 10 nights. They melt into one another. On the 10th day my interest in the world is reawakened by a jar in a plastic bag on my bedside table. My new year's resolutions, my demons in a jar. My tonsils in formaldehyde. It's the end of January and many of our demons are out, our new year's resolutions accomplished, floating in jars of formaldehyde. Catharsis is often painful. Mine was no exception.

As the surgeon prophesied I have begun to feel the new woman in me emerging through the mist. And if, after a decade of deliberation, I was still unprepared for the price of shedding my old skin, that was my own fault for believing even a little in the myth of ice-cream and jelly.

Chess No 1270: 1 Pg2, 2 Bg2, 3 Cg2 and 3 Cb7, 3 Cc6 or 3 Cc5, 4 f1-e2, 2 Cb5, 2 Cc3, 3 Nf3, 3 Ng2, 4 Nc7, 2 Nc6, 3 Qc2, 4 Nc2, 2 Nc2, 3 Nc3, 3 Nc4, 3 Nc5, 3 Nc6, 3 Nc7, 3 Nc8, 3 Nc9, 3 Nc0.

هذا من الارجل